Fiscal Year 2010 Budget
Summary and Background Information

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For further information on the Department and its activities, visit us at www.ed.gov, or call 1-800-USA-LEARN

America will not remain true to its highest ideals—and America's place as a global economic leader will be put at risk…if we don't do a far better job than we've been doing of educating our sons and daughters; unless we give them the knowledge and skills they need in this new and changing world.

President Barack Obama
March 10, 2009

I. SUMMARY OF THE 2010 BUDGET

In the six months since winning election as America's 44th President, Barack Obama has sent the strongest possible signal that improving our education system will be one of the highest priorities of his Administration. Even before taking office, the President worked to ensure that the economic stimulus package he crafted in cooperation with the Congressional leadership would not only help to save jobs and jump-start a stalled economy, but also begin laying the foundation for America's long-term prosperity by making large investments in critical areas of our education system.

As a result of these efforts, the American Recovery and Reinvestment Act (ARRA, or Recovery Act), which President Obama signed into law on February 17, 2009, provided a total of $98.2 billion in funding for the Department of Education, creating an unprecedented opportunity for States and school districts to make significant changes to strengthen and improve all levels of education.

One month later, the President outlined five pillars for reforming our schools that are guiding both the implementation of the Recovery Act and the President's fiscal year 2010 budget request for the Department of Education:

First, investing in early childhood education and expanding access to quality childcare.

Second, challenging States to adopt world-class college- and career-ready academic standards and assessments.

Third, recruiting, preparing, and rewarding effective teachers.

Fourth, promoting innovation and excellence in America's schools by expanding charter schools, extending learning time, and turning around low-performing schools.

And fifth, increasing the number of people pursuing higher education and earning a postsecondary degree or certificate.

ARRA Funds for Education

State Fiscal Stabilization Fund	
State Grants	$48.6 billion
Race-to-the-Top Incentive Grants	$4.4 billion
What Works and Innovation Fund	$650 million
ESEA Title I	
Grants to LEAs	$10 billion
School Improvement Grants	$3 billion
IDEA	
Grants to States	$11.3 billion
Preschool Grants	$400 million
Grants for Infants and Families	$500 million
Teacher Incentive Fund	$200 million
Teacher Quality Partnership	$100 million
Impact Aid Construction	$100 million
Educational Technology State Grants	$650 million
Education for Homeless Children	$70 million
Statewide Data Systems	$250 million
Rehabilitation Act	
VR State Grants	$540 million
Independent Living	$140 million
Postsecondary Student Aid	
Federal Pell Grants	$17.1 billion
Federal Work-Study	$200 million

To build on the historic levels of support provided for these goals in the Recovery Act, the President is requesting $46.7 billion in discretionary appropriations for the Department of Education, an increase of $1.3 billion over the comparable discretionary total provided in the regular 2009 appropriations act. In addition, the President's mandatory funding proposals would help make available more than $129 billion in new grants, loans, and work-study assistance for postsecondary students in 2010, an increase of $31.7 billion, or 32 percent, over the 2008 level.

The 2010 request is focused on laying the foundation for the expansion of early childhood education as part of the President's comprehensive Zero-to-Five initiative; vigorously supporting and rewarding effective teaching; expanding State and local efforts to turn around low-performing schools, including the so-called high school "dropout factories" that graduate 60 percent or fewer of their students; and expanding opportunities for students to go to college and graduate by increasing grant and loan assistance, shifting resources from banks and middlemen toward students, and creating new incentives for colleges to focus on student completion.

Key proposals in the 2010 budget include the following:

- $500 million for a new program of Title I Early Childhood Grants, which would encourage LEAs to use Title I Recovery Act funds to start or expand Title I preschool programs.

- $300 million for a new Early Learning Challenge Fund, a central component of the President's Zero-to-Five initiative, to help States develop or refine systems for rating and improving the quality of early learning programs.

- $10 million for the Promise Neighborhoods initiative to provide 1-year planning grants to non-profit, community-based organizations to develop plans for comprehensive neighborhood programs that provide the necessary support for children and youth from preschool through college so that they may succeed in school and beyond.

- $162.5 million for Early Reading First, an increase of $50 million to expand support for high-quality, research-based early literacy services for preschool children.

- $370.4 million for an expanded Striving Readers program, a $35 million increase for adolescent literacy demonstration grants and $300 million for a new initiative to help school districts implement comprehensive and coherent programs of reading instruction for children in the elementary grades.

- $517.3 million for the Teacher Incentive Fund, an increase of $420 million over the regular 2009 level, to stimulate comprehensive State and local efforts to strengthen the educator workforce, in particular by providing financial rewards for principals, teachers, and other personnel who raise student achievement, close achievement gaps, and work in hard-to-staff schools.

- $1.5 billion for Title I School Improvement Grants, an increase of $1 billion to help ensure that States and LEAs have the resources to develop and implement comprehensive, research-based improvement plans for the growing numbers of schools (including middle and high schools) identified for improvement, corrective action, or restructuring.

- $50 million for a High School Graduation Initiative to promote innovative strategies for increasing high school graduation rates, particularly in the so-called "dropout factories."

- Raising the maximum Pell Grant award to $5,550, an increase of $200 over the 2009 level, indexing the maximum grant to grow faster than inflation in future years, and making Pell Grant funding mandatory to eliminate the perennial uncertainty created for students, parents, and the Congress created by the difficulty of estimating required discretionary appropriations.

- Saving $21 billion over 5 years by making all new postsecondary student loans through the Direct Loan program. The Administration also is proposing to restructure and expand the Federal Perkins Loans program to serve five times as many students while saving taxpayers $3.2 billion over 5 years.

The 2010 request for the Department of Education supports these priorities while also proposing significant mandatory and discretionary savings that are essential to meeting the President's goal of cutting the annual Federal deficit in half over the next 5 years. For example, the discretionary request includes the proposed elimination of 12 programs for a total savings of $551 million. In addition, the request eliminates 702 earmarked projects totaling an estimated $196.3 million. On the mandatory side, the request would save an estimated $24.3 billion over 5 years by making all new postsecondary student loans through the Direct Loans program and by restructuring the Perkins Loans program.

Comparable Department of Education Appropriations
(in billions of dollars)

	2008	2009	2010 Request
Discretionary (w/o Pell Grants)	**$45.0**	**$45.4**	**$46.7**
Pell Grants (Mandatory only in 2010)	**14.2**	**25.4**	**28.7**
Recovery Act Funds (Non-Pell Discretionary)	**—**	**81.1**	**—**
Other Mandatory	**8.1**	**-11.3**	**-16.9**
Total	**67.4**	**140.5**	**58.5**

Most education funding is discretionary and is appropriated annually for each program within the limits established by authorizing legislation. Mandatory funding does not require annual appropriations because the authorizing legislation itself establishes a fixed funding level or a method for calculating automatic appropriations without further Congressional action. The largest mandatory programs in the Department's budget are Federally subsidized loans for postsecondary students, the costs of which are estimated based on assumptions about interest rates, lender fees, repayments, defaults, and collections. Other education programs funded in

whole or in part through mandatory appropriations include Vocational Rehabilitation State Grants, Academic Competitiveness/SMART Grants, Pell Grants, and certain programs in the Higher Education account.

An additional factor affecting the display of discretionary appropriations in Federal budget documents is the use of "advance" appropriations, a method of funding that makes budget authority available in the fiscal year after it is appropriated. Examples of Department programs that receive advance appropriations include Title I Grants to Local Educational Agencies and IDEA Part B Grants to States.

Federal funding makes up about 7.8 percent of the estimated $667 billion that America will spend on elementary and secondary education during the 2008-09 school year. The relatively small size of the Federal investment in education dictates an emphasis on supporting promising, research-based programs that have the potential to leverage more effectively the much larger State and local share of national education spending to bring about real improvement in student achievement. This is why a key goal of the 2010 request is to "scale up success" by identifying and replicating successful models and strategies that raise student achievement.

Major proposals in the 2010 request for the Department of Education include the following:

EARLY CHILDHOOD AND EARLY LITERACY EDUCATION

Decades of research show definitively that investment in high-quality early childhood education and services reaps outsized gains in higher student achievement once students enter school, and in improved high school graduation and college attendance rates, reduced unemployment, and increased lifetime earnings. This is why President Obama has put such strong emphasis on developing and implementing a comprehensive Zero-to-Five initiative to expand access to quality childcare and education. A key goal of this initiative is to improve readiness for school, particularly in the area of early literacy and reading skills. The following items in the 2010 request support improved early childhood education:

- $500 million for Title I Early Childhood Grants, a new program that would provide incentives for school districts to use a larger share of Title I Grants to LEAs funding—starting with Title I Recovery Act funds—to establish or expand Title I preschool programs.
- $300 million for the first phase of the Early Learning Challenge Fund, a central component of the President's Zero-to-Five initiative. Initial awards would support the development of statewide infrastructures of integrated support and services for early learning that would maximize the effectiveness of later investments in quality early childhood education.
- $162.5 million for Early Reading First, an increase of $50 million to expand local efforts to improve the quality of their early literacy services for preschool-aged children.
- $370.4 million for an expanded Striving Readers program, an increase of $335 million, to provide demonstration grants to LEAs to implement comprehensive and coherent programs of reading instruction for children in the elementary and secondary grades.

RECRUITING, PREPARING, AND REWARDING OUTSTANDING TEACHERS

President Obama believes strongly that "America's future depends on its teachers." This is why the Recovery Act provided billions of dollars to States and school districts to keep teachers working and avoid layoffs during the current economic downturn. However, the Recovery Act not only will save teaching jobs, but provide incentives and resources for States to improve their collection of data on teacher effectiveness and develop plans to ensure that teaching talent is more evenly distributed, and that poor and minority students are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. The 2010 request supports these same goals by calling for:

- $517.3 million for the Teacher Incentive Fund, a $420 million increase over the regular 2009 level, to support comprehensive strategies for recruiting, preparing, and rewarding effective teachers. In particular, these funds would encourage changes in teacher and principal compensation systems to reward principals, teachers, and other personnel who raise student achievement, close achievement gaps, and work in our most challenging schools. This request includes $30 million for a National Teacher Recruitment Campaign.

- $2.9 billion for Improving Teacher Quality State Grants, a major source of flexible Federal funding to help States and school districts strengthen the skills of the teaching force. Program funds support high-quality professional development that research indicates can improve teaching skills that raise student achievement.

- $50 million for the Teacher Quality Partnership program, to help improve the effectiveness of teachers working in high-need schools and early childhood education programs by creating model teacher preparation programs and model teaching residency programs.

- $29.2 million for the School Leadership program, an increase of $10 million, to expand the number of projects that recruit and train principals and other school leaders to serve in high-poverty schools. The request focuses on (1) developing and implementing incentives for principals with demonstrated records of effectiveness to go to failing or high-need schools, and (2) training and mentoring highly effective teachers to become principals in those schools.

PROMOTING INNOVATION IN STRUGGLING SCHOOLS

The school improvement requirements of Title I, Part A of the Elementary and Secondary Education Act (the Title I Grants to Local Educational Agencies program) have helped States and school districts identify and begin to address the needs of low-performing schools. In general, these are schools that are not meeting State proficiency targets, are not preparing their students for success in college or a career, and too often fail to graduate large numbers of their students. The 2010 request would help intensify efforts to turn around these struggling schools—which typically are identified for Title I improvement, corrective action, or restructuring actions—by expanding State and local efforts to identify and adopt effective turn-around strategies. In addition, the Budget would support the continued expansion of charter schools, both as a public school choice option for students in low-performing schools and as a promising alternative governance option for schools in restructuring status.

- $1.5 billion for Title I School Improvement Grants, an increase of $1 billion over the regular 2009 level, to help build State and local capacity to identify and implement effective interventions to turn around low-performing schools. The request also would begin to help take on the dropout crisis by requiring States to ensure that 40 percent of School Improvement Grant allocations are spent on improvement activities in middle and high schools.

- $100 million for the What Works and Innovation Fund, to be combined with the $650 million provided for this activity by the Recovery Act, to support competitive grants to LEAs and partnerships between non-profit organizations and LEAs that have made significant gains in improving student achievement, or have demonstrated significant improvement in other areas, to expand or evaluate their work and serve as models of best practices.

- $268 million for Charter School Grants, an increase of $52 million representing the first installment on the Administration's commitment to double funding for Charter Schools over 4 years to promote successful models of school reform.

- $50 million for a High School Graduation Initiative to fund innovative and effective strategies designed to increase the high school graduation rate. Grantees will be required to track and report on student indicators found to be effective in identifying students at risk of dropping out.

- $10 million for a Promise Neighborhoods initiative that would provide 1-year planning grants to non-profit, community-based organizations serving low-income urban neighborhoods or rural areas to help them develop plans for comprehensive programs that provide the support children need to achieve success from birth through college and beyond.

MEETING THE NEEDS OF SPECIAL POPULATIONS

The State accountability systems required by the Elementary and Secondary Education Act are based on accountability not just for the overall performance of all students in a school, but also for the achievement of minority subgroups, including students from low-income families, students with disabilities and English language learners. The 2010 request provides significant resources to help ensure that States, school districts, and schools can meet the academic and other needs of such students and help them reach the same proficiency goals as other students.

- $13.0 billion for Title I Grants to Local Educational Agencies, $1.5 billion less than the regular 2009 level but building on the unprecedented $10 billion increase provided for this program through the Recovery Act, much of which will remain available in fiscal year 2010. The request, in combination with Recovery Act funds, would continue to provide historic levels of support for State and local efforts to ensure that students in high-poverty schools meet the same challenging State academic proficiency standards as other students. The full decrease will be redirected toward activities that effectively improve low-performing schools under the School Improvement Grants program and the Title I Early Childhood Grants initiative.

- $11.5 billion for Special Education Grants to States, building on the extraordinary $11.3 billion increase provided by the Recovery Act to ensure that States and school districts have adequate resources to help students with disabilities meet the same challenging State proficiency standards as other students. The request would provide a per-child average of $1,713 for an estimated 6.7 million children with disabilities. In addition, in the school year covered by this request (2010-2011), States and school districts will have billions more to spend on IDEA activities since both the Recovery Act funds and the 2010 funds will be available at the same time.

- $730 million for English Language Acquisition to help States and school districts meet the needs of the growing population of limited English proficient students, and to help these students reach the same proficiency goals for reading and mathematics as other students.

- $445.2 million for Title I Migrant Education and Neglected and Delinquent State agency programs to help pay the higher costs often associated with meeting the educational needs of approximately 537,000 children of migrant agricultural workers and to help an estimated 132,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions.

HELPING MORE STUDENTS ENTER AND COMPLETE COLLEGE

The President's 2010 Budget includes four major proposals, previously announced in the February 2010 President's Budget Overview, to streamline and simplify Federal student aid programs, save taxpayer dollars, and significantly increase available student financial assistance so that more students are able not only to enter a postsecondary institution but also to earn a degree or certificate. These proposals are essential to reaching President Obama's goal of restoring America to number one in the percentage of citizens holding college degrees. Today, roughly 40 percent of 25-34 year-old Americans hold college degrees; the President's goal is to raise that to 60 percent.

Under the 2010 request, the Department of Education would administer over $129 billion in new grants, loans, and work-study assistance in 2010—a 32 percent increase over the amount available in 2008—to help more than 14 million students and their families pay for college.

- The request would convert Pell Grants to a mandatory program to eliminate uncertainty and end the practice of "backfilling" billions of dollars in Pell shortfalls. The maximum Pell Award would rise to $5,550 in fiscal year 2010 (for the 2010-11 academic year), with future increases linked to the Consumer Price Index plus 1 percent. These changes would increase our investment in Pell Grants by an estimated $46.7 billion over the next 5 years.

- The proposed budget would eliminate the heavily subsidized and costly Federal Family Education Loan (FFEL) program and make all new loans through direct lending, which relies on low-cost and stable sources of capital and private-sector providers to efficiently process loans and repayments. This change would save an estimated $21 billion over 5 years, savings that would be reinvested in student aid through the expanded Pell Grant program.

- The request also would expand and modernize the Perkins Loan program so that it would provide $6 billion a year in new loan volume—six times the current Perkins volume—for up to 2.6 million students at roughly 2,700 additional postsecondary education institutions. The

Department would service Perkins Loans along with other Federal loans, with estimated overall savings totaling $3.2 billion over 5 years.

- A College Access and Completion Fund would invest $2.5 billion in mandatory funding over 5 years to build a Federal-State-local partnership to improve college success and completion, particularly for students from disadvantaged backgrounds.

HIGHER EDUCATION PROGRAMS

In addition to student financial assistance, the 2010 request supports a variety of activities designed to improve access to, and success in, postsecondary education.

- $454 million in discretionary funding for the Aid for Institutional Development programs, an increase of $31.6 million over the 2009 level. The request for Title III demonstrates the Administration's commitment to assisting institutions that enroll a large proportion of minority and disadvantaged students by providing funds to improve these institutions' academic programs and administrative and fundraising capabilities.

- $97.9 million for Developing Hispanic-serving Institutions, a 5 percent increase over the 2009 level, to enable these institutions to improve and expand their capacity to serve Hispanic and low-income students.

- $905.1 million for the Federal TRIO programs to maintain 2009 levels for college preparation and college student support services.

- $313.2 million for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), the same as the 2009 level, which would help an estimated 765,000 middle and high school students prepare for college.

- $118.9 million for the International Education and Foreign Language Studies programs, the same as the 2009 level, to help meet the Nation's security and economic needs by expanding the number of individuals with expertise in foreign languages and area and international studies.

II. THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

President Obama's fiscal year 2010 request for education must be seen in the context of the unprecedented investments in education from preschool to college provided by the American Recovery and Reinvestment Act (Recovery Act). The Recovery Act included significant additional one-time funding increases in several key areas, and most funds are available for expenditure over the next 2 years. In general, most States and school districts will receive one-half to two-thirds of Recovery Act education funds by early summer, and can expect to receive remaining Recovery Act funds by early fall 2009, at the beginning of fiscal year 2010 (which starts October 1, 2009). The availability of a significant portion of Recovery Act education funds in fiscal year 2010 and beyond was taken into account in the Administration's development of the 2010 request for certain programs receiving funding under the Recovery Act.

Congress provided Recovery Act education funding through two methods. A little over half ($53.6 billion) of the total provided to the Department is for the State Fiscal Stabilization Fund (SFSF), a separately authorized program created by Congress for the two-fold purpose of saving education jobs and promoting reform. The remaining funds, roughly $44 billion, were appropriated for currently authorized Federal education programs. Allocation information is available at http://www.ed.gov/about/overview/budget/statetables/index.html. The Department made available more than half of its Recovery Act funds in April 2009, and expects to award most of the remaining funds by September 30, 2009.

The Department has developed four principles that should guide State and local use of Recovery Act funds:

- Spend funds quickly to save and create jobs.
- Improve student achievement through school improvement and reform. In addition to saving jobs and stimulating economic activity, Recovery Act education funds are intended to help close achievement gaps and improve educational outcomes. The SFSF program requires progress on four reforms that the Administration believes should, wherever possible, guide the use of all Recovery Act funds:
  — Making progress toward the development and implementation of rigorous, internationally benchmarked, college- and career-ready standards and high-quality assessments;
  — Establishing pre-K-to-college-and-career data systems that track individual progress and support continuous improvement;
  — Making improvements in teacher effectiveness and in the equitable distribution of effective teachers for all students, particularly students who are most in need; and
  — Providing intensive support and effective interventions for the lowest-performing schools.
- Ensure transparency, reporting, and accountability. To help ensure that funds are spent on effective activities, recipients must publicly report on how funds are used.
- Invest one-time ARRA funds thoughtfully to minimize the "funding cliff." Because Recovery Act funds are available only for 2-3 years, they should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.

ACCOUNTABILITY, TRANSPARENCY, AND WWW.RECOVERY.GOV

President Obama has made clear that every dollar spent under the ARRA will be subject to the most stringent standards of accountability and transparency. A Governmentwide Recovery Accountability and Transparency Board will coordinate and conduct oversight of program funds to prevent fraud, waste, and abuse. The Board will maintain a public website—www.recovery.gov—that will monitor the progress of the economic recovery and the use of funds under the Act. In addition, the Department of Education will post all State applications for Stabilization funding on www.ed.gov.

In general, States must ensure that all Recovery Act funds are spent in accordance with Federal law and regulations, and must separately account for, and report quarterly on, how those funds are spent. Each State's governor also is required, by section 1607 of the Recovery Act, to certify that the State is requesting Recovery Act funds and that the funds will be used to create jobs and promote economic growth. In addition, for each year of the SFSF program, States must report to ED on, among other things: (1) the use of funds provided under the program; (2) the estimated number of jobs created or saved with program funds; (3) estimated tax increases that were averted as a result of program funds; and (4) the State's standing with respect to fulfilling the application assurances.

STATE FISCAL STABILIZATION FUND

Most of the funds provided for the State Fiscal Stabilization Fund ($48.6 billion) will be used for State formula grants based on each State's relative shares of individuals aged 5 to 24 and of total population. These State formula grants are further divided into an Education Stabilization Fund receiving 81.8 percent of each State's total allocation and a Government Services Fund receiving the remaining 18.2 percent of each State's total allocation.

The Education Stabilization Fund helps maintain State support for public elementary, secondary, and postsecondary education, and, as applicable, early childhood education programs and services. The Government Services Fund is intended to support other government services, including public safety, health care, social services, though it also may be used to support education. In addition, both funds also may be used to support school modernization.

On April 1, 2009, the Department announced the availability of $32.6 billion under the SFSF, representing two-thirds of the total dollars in the Fund. This includes $26.6 billion for Education Stabilization to save jobs and improve K-12 and higher education and a separate $6 billion for Government Services to pay for education, public safety or other government services.

For this first phase of SFSF funding, the Department developed a streamlined application that requires commitments from States that they will collect, publish, analyze and act on basic information regarding the quality of classroom teachers, annual improvements in student achievement, college readiness, the effectiveness of State standards and assessments, progress on removing caps on the number of charter schools, and interventions for turning around underperforming schools. These commitments are the first step toward meeting Recovery Act requirements that States show:

- Improvements in teacher effectiveness and in the equitable distribution of effective teachers;

- Progress toward college- and career-ready standards and rigorous assessments that will improve both teaching and learning;
- Improvements in achievement in low-performing schools, by providing intensive support and effective interventions in those schools.
- The ability to gather information to improve student learning, teacher performance, and college and career-readiness through enhanced data systems that track student progress.

The second phase of SFSF funding will include $13.1 billion for Education Stabilization and $2.9 billion for Government Services. Each State will receive the remaining portion of its SFSF allocation after the Department approves the State's plan outlining its strategies for addressing the education reform objectives described in the assurances required by the Recovery Act. This plan must also describe how the State is implementing the record-keeping and reporting requirements under the Recovery Act and how SFSF and other funding will be used in a fiscally prudent way that substantially improves teaching and learning. For example, a State plan might include the submission of data on teacher and principal rating systems, efforts to improve the quality of State academic assessments, the performance of schools undergoing restructuring, and the implementation of longitudinal systems for tracking the performance of individual students. States may be required to demonstrate progress with respect to having systems in place to provide parents, teachers, and policymakers with clear and consistent information about where our schools and students stand.

The two final pieces of the State Fiscal Stabilization Fund are the Race-to-the-Top grants and the What Works and Innovation Fund. In fiscal year 2010, the Department will award $4.4 billion in competitive Race-to-the Top (RTTT) grants to States on the basis of their plans for and progress on the objectives described in the four reform areas discussed above, in addition to other factors such as the thoughtfulness and viability of their overall State plan for dramatically improving student achievement and closing achievement gaps, and how well the four reforms described above are integrated within that agenda. The Secretary's expectation is that recipients of RTTT awards will have exhibited significant progress and will be well-positioned to achieve dramatic progress in increasing student achievement and closing achievement gaps and, therefore, serve as models for other States.

The $650 million What Works and Innovation Fund will support competitive grants to LEAs and partnerships between nonprofit organizations and LEAs that have made significant progress in improving student achievement, or have demonstrated significant improvement in other areas, to expand their work and serve as models of best practices. The fiscal year 2009 funds, along with the fiscal year 2010 request for an additional $100 million, would support grant awards to (1) evaluate promising new initiatives and approaches to determine if they are suitable for scaling up; (2) scale up approaches that have been proven to improve student achievement across districts and States; (3) support the development of "model districts" that implement multiple evidence-based strategies that have been proven to increase student achievement and which could be adopted by districts throughout the Nation; and (4) leverage partnerships with the private sector and the philanthropic community to develop, scale up, document, and disseminate best practices that have demonstrated success in improving student achievement. The Department will encourage recipients to use comprehensive approaches to improving student performance that draw on multiple strategies for improving the quality of teachers and principals, curriculum and assessments, and student support services.

TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

The Recovery Act also provided $10 billion in additional fiscal year 2009 Title I Grants to Local Educational Agencies (Title I, Part A) funds to local education agencies (LEAs) for schools that have high concentrations of students from families that live in poverty. These funds are intended to help improve teaching and learning for students most at risk of failing to meet State academic achievement standards. Title I is the cornerstone of standards-based accountability systems that the Elementary and Secondary Education Act (ESEA) requires for participating States and LEAs to help ensure that all students are proficient in reading and mathematics, identify and turn around low-performing schools, and close achievement gaps. The additional Recovery Act Title I funds create an unprecedented opportunity for educators to implement innovative strategies and make one-time investments with long-term benefits that improve education for at-risk students and close achievement gaps while also stimulating the economy.

On April 1, 2009, the Department awarded 50 percent of each State's Title I Recovery Act funds under their existing, approved ESEA Consolidated State Application. The remaining funds will be awarded by September 30, 2009, after States have submitted, for review and approval by the Department, additional information that addresses how the State will meet the accountability and reporting requirements of the Recovery Act. Title I Recovery Act funds will be combined with the regular fiscal year 2009 appropriation for Title I Grants to LEAs, increasing the total amount available in fiscal year 2009 from $14.5 billion to $24.5 billion.

	FY 2009	ARRA
Title I Grants to LEAs	**$14.5 B**	**$10.0 B**
School Improvement Grants	**$545.6 M**	**$3.0 B**

States and LEAs must use Title I Recovery Act funds consistent with the statutory requirements of Title I, Part A of the ESEA. However, because this is a large, one-time increase in Title I funding that likely will not be available beyond September 30, 2011, the Department recommends that LEAs give careful consideration to short-term investments with long-term benefits in such areas as the following: intensive, year-long teacher training and school leadership development; strengthening early childhood education; implementing new curricula, including, for example, online courses in mathematics and science; development and implementation of extended learning time strategies; and using longitudinal data to drive school improvement.

In addition to Title I Grants to LEAs, the Recovery Act appropriated $3.0 billion for Title I School Improvement Grants, a program that makes formula grants to States to help States and LEAs implement statutorily specified actions to turn around low-performing Title I schools that have been identified for improvement, corrective action, and restructuring. States must distribute 95 percent of their allocations to LEAs, giving priority to LEAs with the greatest need for additional school improvement funds and the strongest commitment to help identified schools meet their improvement goals.

The Department plans to begin awarding Recovery Act School Improvement Grants in fall 2009 following a rigorous application process that, among other factors, will emphasize (1) the need for comprehensive State plans to use Recovery Act funds to build capacity to support school and LEA improvement at the State and local levels, (2) the identification and use of best practices to turn around low-performing schools, and (3) the targeting of school improvement resources on the lowest-performing schools, including “dropout factories” and their feeder schools.

As with all Recovery Act funds, States and LEAs will be required to use funds in accordance with applicable Federal law and regulations and report to the Department quarterly on how funds are used.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT

The Recovery Act provided $12.2 billion for State formula grant programs authorized by the Individuals with Disabilities Education Act (IDEA), including $11.3 billion for Part B Grants to States, $400 million for Part B Preschool Grants, and $500 million for Part C Grants for Infants and Families. The Department awarded 50 percent of the IDEA, Part B Grants to States, Preschool Grants, and Part C Infants and Families Recovery Act funds to States on April 1, 2009, based on each State's fiscal year 2008 eligibility status. The remaining 50 percent of Recovery Act funds for these three programs will be awarded by September 30, 2009, after States have submitted, for review and approval by the Department, additional information addressing how they will meet the accountability and reporting requirements specified in the Recovery Act. The total Recovery Act awards will be combined with the regular fiscal year 2009 awards to produce each State's total 2009 allocations for Part B Grants to States, Preschool Grants, and Part C Infants and Families.

	FY 2009	ARRA
IDEA Part B Grants to States	**$11.5 B**	**$11.3 B**
Part B Preschool Grants	**$374.1 M**	**$400.0 M**
Part C Grants for Infants and Families	**$439.4 M**	**$500.0 M**

All IDEA Part B Recovery Act funds must be used consistent with existing statutory and regulatory requirements. An LEA must use IDEA Recovery Act funds only for the excess costs of providing special education and related services to children with disabilities, except where IDEA specifically provides otherwise. As with the Title I Recovery Act funds, the Department emphasizes that IDEA Recovery Act funds constitute a large one-time increment in funding that offers States and LEAs a unique opportunity to improve teaching and learning for children with disabilities, and that funds should be used for short-term investments that have the potential for long-term benefits, rather than for expenditures that LEAs may not be able to sustain once the Recovery Act funds are expended. Some possible uses include obtaining state-of-the art assistive technology devices and providing training in their use; providing intensive district-wide professional development for special education and regular education teachers; and developing or expanding the capacity to collect and use data to improve teaching and learning.

The process for awarding IDEA Part C Grants for Infants and Families Recovery Act funds is identical to the process for IDEA Part B Recovery Act funds. Consistent with the requirements of the IDEA, the Department reserved $71 million of Part C Recovery Act funds for State incentive grants to State lead agencies that elect to carry out the Flexibility to Serve Children Three Years of Age until Entrance into Elementary School provisions in sections 632(5)(B)(ii) and 635(c) of the IDEA. Any unused portion of this reservation will be reallocated to States.

All IDEA Part C Recovery Act funds must be used consistent with existing statutory and regulatory requirements. Suggested uses of these one-time funds include the provision of in-service training to early intervention program staff and providers; training families to work with their infants and toddlers with disabilities; developing high-quality State and local data systems to improve the delivery of early intervention services; and obtaining state-of-the-art assistive technology devices and related equipment.

REHABILITATION ACT

The Recovery Act included $540 million for the Vocational Rehabilitation (VR) State Grants program, authorized under Title I of the Rehabilitation Act of 1973, as amended (Rehabilitation Act). The VR State Grants program provides grants to States to help individuals with disabilities, especially those individuals with the most significant disabilities, prepare for, obtain, and maintain employment.

The Department awarded 50 percent of the VR Recovery Act funds to State VR agencies on April 1, 2009. The remaining funds will be awarded by September 30, 2009. These funds are allocated to State VR agencies under the program's allotment formula and based on each State's eligibility for fiscal year 2009 VR State Grant funds. To receive the remaining 50 percent of VR Recovery Act allocations, States must submit information, for review and approval by the Department, that addresses the recordkeeping and reporting requirements in the Recovery Act.

	FY 2009	ARRA
VR State Grants	**$3.0 B**	**$540.0 M**
Independent Living		
State Grants	**$23.5 M**	**$18.2 M**
Centers	**$77.3 M**	**$87.5 M**
Services for Older Blind Individuals	**$34.2 M**	**$34.3 M**

All VR Recovery Act funds must be used consistent with the Federal statutory and regulatory requirements. Suggested uses of these one-time funds include serving individuals on waiting lists in agencies currently using an order of selection; increasing services to eligible consumers; and expanding services to traditionally underserved and unserved populations in the State, including students with disabilities transitioning from school to the workplace. The Department also encourages States to use VR Recovery Act funds for system improvements, such as obtaining or improving effective case management systems that provide the agency with enhanced program management and evaluation capabilities, providing training to VR counselors and staff in the effective utilization of rehabilitation technology by VR program participants, the implementation of effective and innovative evidence-based VR practices to improve employment outcomes for persons with disabilities, and the analysis and use of data to improve VR services and employment outcomes.

The Recovery Act also appropriated significant new funding for the Independent Living (IL) programs authorized by the Rehabilitation Act. The IL programs support services to individuals with significant disabilities and older individuals who are blind to maximize their leadership, empowerment, independence, and productivity, and to promote the integration and full inclusion of individuals with disabilities into the mainstream of American society. The Recovery Act provided $18.2 million for IL State Grants, $34.3 million for Services to Older Blind Individuals, and $87.5 million for the Centers for Independent Living (CIL) program.

The Department awarded Recovery Act funds for the IL State Grants and Services for Older Blind Individuals programs on April 1, 2009. The total Recovery Act awards will be combined with the regular fiscal year 2009 awards to produce each State's total allocations for these programs. States received these awards on the basis of their existing, approved applications and plans. Like other competitive grant programs funded by the Recovery Act, the Department is proposing to make awards for the CIL program in late summer or fall.

In general, grantees under the IL State Grants, Older Blind Individuals, and CIL programs should use Recovery Act funds to improve and expand IL services; serve additional consumers, especially populations that are unserved or underserved in the State; increase the capacity of IL service providers; and maximize employment opportunities and economic benefits to individuals with significant disabilities consistent with the goals and objectives established by individual consumers. Some examples of short-term investments with the potential for long-term benefits include providing services to additional individuals who wish to transition from nursing homes to their communities; creating more efficient and effective ways of increasing IL services to students with disabilities transitioning from school to employment and independent living; building long-term capacity by purchasing equipment, improving connections, and obtaining software in order to better serve consumers; and providing professional development opportunities to service provider staff.

IMPACT AID CONSTRUCTION

The Recovery Act provided $100 million in formula and competitive grants for Impact Aid Construction, authorized under section 8007 of the Elementary and Secondary Education Act of 1965, as amended. On April 13, 2009, the Department announced the award of $39.6 million in formula grants to 180 LEAs with military bases, Indian reservations and other Federal property that do not generate local tax revenues. Payments were based on the number of eligible federally connected children in average daily attendance who are dependents of members of the uniformed services or children living on Indian lands. Awards must be used for construction activities, including the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities; and inspecting and supervising the construction of school facilities. ED encourages recipient LEAs to use these funds for projects that can be initiated promptly after the receipt of the awards.

The Department will use remaining Recovery Act Impact Aid Construction funds, after reserving 1 percent of the appropriation for management and oversight, to make $59.4 million in competitive Impact Aid Construction grants. The Recovery Act included the following selection criteria that will be used to evaluate applications for these competitive awards: the current health and safety risk of a facility to school students and personnel; the facility's capacity to support the needs of the current enrollment; the facility's capacity to provide a comprehensive educational program that meets current State standards; the extent to which projects would use energy-efficient and recyclable materials; the use of non-traditional or alternative building methods to expedite construction and maximize cost efficiency; the feasibility of completing the project within 24 months; and the availability of other resources for the project. Competitive awards may be used for the allowable purposes described above for formula grants.

EDUCATION FOR HOMELESS CHILDREN AND YOUTHS

The Recovery Act included $70 million for the McKinney-Vento Education for Homeless Children and Youths program, which is authorized under Title VII-B of the McKinney-Vento Homeless Assistance Act. These additional resources will assist States and local educational agencies (LEAs) in addressing the educational and related needs of some of the most vulnerable members of our society – homeless children and youth – during a time of economic crisis in the United States. The Department awarded 52 Homeless Children and Youths grants totaling $69.2 million on April 13, 2009. The Recovery Act requires States to distribute funds to districts via formula or competitive process within 120 days of receiving their allocations, or by August 11, 2009.

In general, Recovery Act funds must be used for activities authorized under Title VII-B of the McKinney-Vento Act and are subject to the same statutory and regulatory requirements as regular program funds. However, the 120-day deadline for making local allocations may require changes on how States reserve funds for their own use and allocate remaining funds to eligible LEAs. For more information, see the Department's guidance at http://www.ed.gov/policy/gen/leg/recovery/index.html#homeless.

OTHER PROGRAMS FUNDED BY THE RECOVERY ACT

The Recovery Act provided additional funding for three Department of Education competitive grant programs that are intended to drive school improvement and reform. The Department is developing application packages for these programs, and expects to award Recovery Act funds by late fall 2009.

Teacher Incentive Fund

The Recovery Act included $200 million for the Teacher Incentive Fund (TIF), which encourages school districts and States to develop and implement innovative performance-based compensation systems that reward teachers and principals for raising student achievement and for taking positions in high-need schools. The competition for these funds will place a priority on the support of comprehensive, aligned approaches that support improved teacher and principal effectiveness and help ensure an equitable distribution of effective educators, that actively involve teachers and principals in the design of human capital and compensation systems, and that use data from emerging State and local longitudinal data systems to track outcomes and associate those outcomes with educator performance. Examples of such approaches include higher pay to recognize individual teacher and principal contributions to increased student performance; evaluation systems that provide ongoing feedback and support to teachers about their performance; higher pay to attract and retain individuals or teams for service in hard-to-staff schools or to teach a shortage subject; and alternative compensation strategies that reward increased performance, taking on new responsibilities or roles, or demonstrated expertise linked to student needs and student growth.

Teacher Quality Partnership

The Recovery Act provided $100 million for the Teacher Quality Partnership program, a recently reauthorized program that seeks to improve student achievement and the quality of teachers working in high-need schools and early childhood education programs by improving the preparation of teachers and enhancing professional development activities for teachers; holding teacher preparation programs accountable for preparing effective teachers; and recruiting highly qualified individuals, including minorities and individuals from other occupations, into the teaching force.

Statewide Data Systems

And third, the Recovery Act included $250 million for Statewide Data Systems to help ensure that States and LEAs have the robust data systems they need to provide information on individual student outcomes, from early childhood to participation in higher education and the workforce, that educators and policymakers can use to drive educational improvement.

III. THE 2010 EDUCATION BUDGET BY PROGRAM AREA

A. ELEMENTARY AND SECONDARY EDUCATION

Overview

The 2010 request for elementary and secondary education builds on the historic increases for education provided by the Recovery Act, and on the significant State level reforms promoted by the Recovery Act, to provide more targeted support in areas that President Obama has identified as critical for reforming our schools. For example, the request includes $800 million as part of a down payment on the President's Zero-to-Five initiative to improve early childhood education: $500 million for a new program of Title I Early Childhood Grants and $300 million for the first phase of the Early Learning Challenge Fund.

Another reform priority is supporting and rewarding teachers. Here, a key proposal is to provide a $420 million increase for the Teacher Incentive Fund—for a 2010 total of $517 million. These new resources would increase the incentive for States and school districts to reform educator compensation systems in order to reward successful teaching and school leadership, and to expand financial incentives for our best teachers and principals to work in our most challenging schools.

The 2010 request also supports turning around low-performing schools, with a special emphasis on comprehensive, research-based interventions in chronically low-performing schools, including the roughly 2,000 high school "dropout factories" that contribute disproportionately to the Nation's dropout crisis. The request provides $1.5 billion for Title I School Improvement Grants, an increase of $1 billion over the regular 2009 level, to continue helping States and school districts to expand their capacity to identify and implement effective turnaround strategies. The request also would require States to ensure that 40 percent of these funds are spent on improvement activities in middle and high schools. The Budget also includes an additional $100 million for the What Works and Innovation Fund, which will help identify, evaluate, and scale up proven strategies for improving student achievement and closing achievement gaps in low-performing schools.

Together with the Recovery Act, the 2010 request for elementary and secondary education would promote the reforms and improvements that show the most promise for improving student achievement and closing achievement gaps so that LEAs and schools can meet annual State proficiency targets.

Highlights of the 2010 budget for elementary and secondary education programs include:

- $500 million for a new program of Title I Early Childhood Grants, which would encourage LEAs to use a portion of the unprecedented increase in Title I Grants to LEAs to start or expand Title I preschool programs.
- $300 million for the new Early Learning Challenge Fund, a central component of the President's Zero-to-Five initiative, to provide grants to SEAs for the development of State plans and infrastructure to raise the quality of publicly funded early learning programs.

- $370.4 million for an expanded Striving Readers program that, in addition to promoting the development and implementation of research-based interventions that improve the skills of teenage students who are reading below grade level, would provide demonstration grants to LEAs to implement comprehensive and coherent programs of reading instruction for children in the elementary grades.
- $162.5 million for Early Reading First, an increase of $50 million, for support of an additional 52 grants to enable early childhood programs to improve the quality of their early literacy services for preschool-aged children.
- $10.0 million for the Promise Neighborhoods initiative to provide 1-year planning grants to non-profit, community-based organizations to enable them to develop plans and establish partnerships for the development of comprehensive neighborhood programs for children and youth, from birth through college, to help them succeed in education and life.
- $517.3 million for the Teacher Incentive Fund, $420 million more than the 2009 regular appropriation level, to support comprehensive strategies for strengthening the educator workforce and drive improvements in teacher effectiveness by rewarding principals, teachers, and other personnel who raise student achievement, close achievement gaps, and work in hard-to-staff schools. The request includes $30 million for a National Teacher Recruitment Campaign.
- $1.5 billion for Title I School Improvement Grants to help build State and local capacity to identify and implement effective interventions to turn around low-performing schools. In particular, the request would require States to ensure that 40 percent of School Improvement Grant funds are spent on improvement activities in middle and high schools.
- $13.0 billion for Title I Grants to Local Educational Agencies, a decrease of $1.5 billion that reflects the unprecedented increase provided for this program through the Recovery Act, much of which will remain available in fiscal year 2010. The proposed decrease would permit the reallocation of significant resources to two Administration priorities that are likely to help improve low-performing schools: a $1 billion increase for Title I School Improvement Grants and $500 million for a new program of Title I Early Childhood Grants.
- $50 million for a High School Graduation Initiative to provide assistance to LEAs to test and implement strategies for increasing the graduation rate, particularly in those high schools (and their feeder schools) with unacceptably low rates.
- $410.7 million for State Assessment Grants to encourage States to strengthen their State academic content and achievement standards, including by developing and implementing rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students.

Title I Grants to Local Educational Agencies

	2008	2009	2010 Request
BA in millions	$13,898.9	$14,492.4	$12,992.4

The $13.0 billion request is $1.5 billion below the regular 2009 level, reflecting the unprecedented increase for Title I Grants to LEAs provided in the Recovery Act, much of which will be available in fiscal year 2010 (States received half of the $10 billion provided by the

Recovery Act for Title I Grants to LEAs on April 1, 2009; the second half will be awarded in September 2009, and fiscal year 2010 begins October 1, 2009.). The 2010 request would maintain historically high levels of support for Title I Grants to LEAs while making available $1.5 billion for activities that focus more closely on efforts to turn around low-performing schools.

Title I Grants to LEAs provide supplemental education funding, especially in high-poverty areas, for locally designed programs that offer extra academic support to help raise the achievement of students at risk of educational failure or, in the case of schoolwide programs, to help all students in high-poverty schools meet challenging State academic standards. This formula-based program serves more than 20 million students in nearly all school districts and more than 54,000 public schools—including two-thirds of the Nation's elementary schools.

Title I schools help students reach challenging State standards through one of two models: "targeted assistance" that supplements the regular education program of individual children deemed most in need of special assistance; or a "schoolwide" approach that allows schools to use Title I funds—in combination with other Federal, State, and local funds—to improve the overall instructional program for all children in a school. More than 30,000 participating schools use the schoolwide approach.

Both schoolwide and targeted assistance programs must employ effective methods and instructional strategies grounded in scientifically based research, including activities that supplement regular instruction, such as after-school, weekend, and summer programs. Schools also must provide ongoing professional development for staff working with disadvantaged students and implement programs and activities designed to increase parental involvement.

Participating schools must make adequate yearly progress (AYP) toward annual, State-established proficiency goals aimed at ensuring that all students are proficient in reading and math by the 2013-14 school year. Schools that do not make AYP for at least 2 consecutive years must develop and implement improvement plans, and school districts must permit students attending such schools to transfer to a better-performing public school, with transportation provided by the district.

Schools that do not improve are subject to increasingly tough corrective actions—such as replacing school staff or significantly decreasing management authority at the school level—and can ultimately face restructuring, which involves a fundamental change in governance, such as conversion to a charter school or placement under private management. Students attending schools that have not made AYP for 3 or more years may obtain supplemental educational services (SES)—paid for by the district—from the public- or private-sector provider selected by their parents from a State-approved list.

Under section 1003(a) of the ESEA, States must reserve 4 percent of the Title I funds allocated to their LEAs for school improvement activities, and must subgrant 95 percent of these funds to LEAs with schools identified for improvement, corrective action, or restructuring. At the request level for Title I, States would reserve up to $520 million for school improvement activities. Additional funding for school improvement is available through the section 1003(g) Title I School Improvement Grants program described below.

School Improvement Grants
(BA in millions)

	2008	2009	2010 Request
School Improvement State Grants	$491.3	$545.6	$1,515.6
Gulf Coast Recovery Grants	—	—	30.0
Total	491.3	545.6	1,545.6

The $1 billion increase requested for Title I School Improvement Grants (SIG) reflects the strong priority that the Administration is placing on identifying and implementing effective strategies for turning around low-performing schools and making sure that States and LEAs have the resources needed to meet the ambitious proficiency goals set by the ESEA. In addition, the request would require States to ensure that least 40 percent of their SIG allocations are spent on school improvement activities in their middle and high schools, unless the State can serve all eligible middle and high schools with a lesser amount. This targeting request reflects the Administration's determination to take immediate action to begin addressing the factors that contribute to the high school dropout crisis in American education.

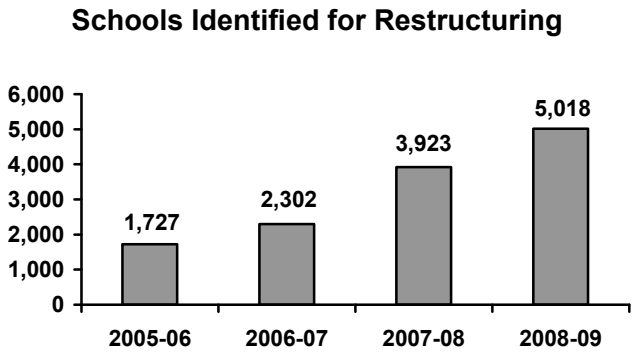
The latest data from the "Promoting Power" project at the Johns Hopkins University's Center for Social Organization of Schools suggests that there are more than 2,000 high schools that graduate 60 percent or fewer of each entering 9th-grade class. These schools enroll an estimated 2.6 million students and, thus, account for nearly all of the roughly 1 million young people who drop out of high school each year. Nearly 60 percent of these so-called "dropout factories" have poverty rates of 40 percent or higher, and the Department believes that one-third or more are Title I schools that are virtually certain to be identified for improvement, corrective action, or restructuring. In addition, increasing the share of SIG funds used in middle schools makes sense because middle schools are almost twice as likely as elementary schools to be identified for improvement, corrective action, or restructuring (22 percent vs. 13 percent).

Section 1003(g) of the ESEA authorizes formula grants to States to fund local school improvement activities required by section 1116(b) of the ESEA for Title I schools that do not make adequate yearly progress for at least 2 consecutive years. Authorized activities include the development and implementation of school improvement plans, professional development for teachers and staff, corrective actions such as instituting a new curriculum, alternative governance under a restructuring plan, and the provision of public school choice and supplemental educational services options.

The increasing need for effective school improvement efforts is driven by the growing numbers of schools identified for improvement, corrective action, and restructuring. The likely trend is suggested by preliminary data from the 2007-2008 Consolidated State Performance Reports (CSPR) showing that the number of schools identified for all stages of improvement grew by more than 10 percent, from 11,511 schools in the school year 2007-2008 to 12,737 in school year 2008-2009.

These data mean that States and LEAs will quickly need to build and expand their capacity to support effective school improvement strategies, and, in particular, provide the more intensive and comprehensive interventions that will be required as increasing numbers of schools are subject to ESEA restructuring requirements. The number of schools identified for restructuring has nearly tripled over the past 3 years, from 1,727 schools in school year 2005-2006 to 5,018

in school year 2008-2009. Continuation of this trend could mean that roughly half of all Title I schools identified for improvement by the ESEA will be in restructuring as early as the 2009-2010 school year.



The 2010 request for School Improvement Grants also includes a $30 million set-aside for competitive awards to local educational agencies located in counties in Louisiana, Mississippi, and Texas that were designated by the Federal Emergency Management Agency as counties eligible for Individual Assistance due to damage caused by Hurricanes Katrina, Ike, or Gustav. Funds would be used to improve education through such activities as replacing instructional materials and equipment; paying teacher incentives; constructing, modernizing, or renovating school buildings; beginning or expanding Advanced Placement or other rigorous instructional curricula; starting or expanding charter schools, and supporting after-school or extended learning time activities.

What Works and Innovation Fund

	2008	2009	2010 Request
BA in millions	—	$650.0[1]	$100.0

[1] Funds were provided under the American Recovery and Reinvestment Act of 2009.

The What Works and Innovation Fund, first authorized by the Recovery Act, will support competitive grants to LEAs and partnerships between non-profit organizations and LEAs that have made significant progress in improving student achievement or other areas to scale up their work and serve as models of best practices. The additional $100 million requested for 2010, combined with Recovery Act funds, would support (1) the evaluation of promising new initiatives and approaches to determine if they are suitable for scaling up; (2) expanding the implementation of effective practices across districts and States; (3) supporting the development of "model districts" that use multiple evidence-based strategies to increase student achievement; and (4) leveraging partnerships with the private sector and the philanthropic community to develop, scale up, document, and disseminate best practices for improving student achievement.

Title I Early Childhood Grants

	2008	2009	2010 Request
BA in millions	—	—	$500.0

This new program would make available $500 million for State matching grant funds that would serve as a powerful incentive for States and LEAs to use Title I Grants to LEA funding to implement or expand high-quality local early childhood education programs. Historically, just

2 percent of Title I funds have been spent on pre-K education, despite the decades of research demonstrating the positive impact of high-quality early childhood education on later academic performance and other economic and social outcomes. The unprecedented increase in Title I funding provided by the Recovery Act creates a unique opportunity for LEAs to make the investments needed to establish or expand high-quality pre-K programs that are fully coordinated with their existing Title I programs.

Under this proposal, the Department would make formula grants to States based on the proportional share of Title I, Part A funds received by their LEAs in fiscal year 2009, including Recovery Act funds. States would then provide matching grants to LEAs, with the match supplied by LEAs through the allocation of Recovery Act Title I funds to eligible early childhood programs.

Early Learning Challenge Fund

	2008	2009	2010 Request
BA in millions	—	—	$300.0

This initiative would provide competitive grants to State educational agencies, or the agency in a State that administers early childhood programs, for the development of a statewide infrastructure of integrated early learning supports and services for children, from birth through age 5. This infrastructure would provide a pathway to a high standard of quality across all publicly funded early learning programs in the State. Grants would enable States to raise their standards, build systems that promote quality and ensure the effectiveness of their early learning programs, and monitor all publicly funded early childhood programs' performance against the State's standards. This program, a central component of the President's early education agenda, complements existing and proposed Federal investments in Head Start and Early Head Start, home visitation, the Child Care Development Fund, Title I preschool, and the Individuals with Disabilities Education Act.

States receiving an Early Learning Challenge Fund award would be required to develop and establish a system of research-based metrics and measures for addressing essential aspects of program quality, such as child health and safety, the effectiveness of the early learning environment, the qualifications of early education staff, research-based curricula, and program effectiveness, including child outcomes. Through the implementation of their grants, States would establish a pathway to high quality, beginning with a basic level of standards for licensing, and support the enhancement of programs as they progress to higher levels of quality over time.

This request would be the first of several years of investment. The Administration will propose authorizing language for this program and, assuming that States demonstrate promising results in ensuring the quality of their early childhood programs, will request additional funds in future years so that States can extend quality early childhood education to more children.

High School Graduation Initiative

	2008	2009	2010 Request
BA in millions	—	—	$50.0

This new initiative would provide local educational agencies grants to support effective, sustainable, and coordinated strategies that will increase high school graduation rates, particularly in the "dropout factories" (and their feeder schools) that produce the great majority of high school dropouts. This proposal is consistent with the Administration's goal of increasing the number of students who graduate from high school prepared for the challenges of work and postsecondary education in the 21st Century. In addition to supporting a range of local activities, the fiscal year 2010 request would give the Department the opportunity to evaluate approaches to dropout prevention and high school completion in order to determine which are most effective and to identify and disseminate information on best practices.

State Assessments
(BA in millions)

	2008	2009	2010 Request
State Grants	$400.0	$400.0	$400.0
Enhanced Assessment Instruments	8.7	10.7	10.7
Total	408.7	410.7	410.7

The request would maintain funding for State Assessments at the 2009 level to encourage and support State efforts to improve the quality of education through the development and adoption of better standards and assessments. Both the State Grants and Enhanced Assessment Instruments program would help begin the development and implementation of rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students and measure not only basic skills, but also whether students possess 21st Century skills like problem-solving and critical thinking, entrepreneurship, and creativity. In particular, the request would support State efforts to improve the quality, transparency, and timeliness of their assessments so as to meet the reform objectives established by the State Fiscal Stabilization Fund.

Striving Readers
(BA in millions)

	2008	2009	2010 Request
Adolescent Literacy Grants	$35.4	$35.4	$70.4
Early Literacy Grants	—	—	300.0
Total	35.4	35.4	370.4

The request would nearly double funding for activities supported by the existing Striving Readers program, which focuses on improving the skills of adolescent students reading below grade level, who often are at risk of dropping out of school because their poor reading skills affect their performance in all subject areas. The $70.4 million request for Adolescent Literacy Grants would fund up to 87 competitive awards for: (1) the development, implementation, and testing of research-based reading interventions designed to improve the reading skills of students reading significantly below grade level; and (2) rigorous evaluations, including

evaluations that use experimental research designs, of reading interventions being implemented in the Nation's secondary schools.

In addition, the request would fund a new Early Literacy Grants demonstration program that would allow LEAs to test a variety of strategies designed to improve children's reading comprehension. Participating LEAs would implement comprehensive and coherent programs of reading instruction for children in the elementary grades that are grounded in scientifically based reading research, with an emphasis on building comprehension skills and on instruction in vocabulary development, oral language fluency, use of academic language, and writing skills. The $300 million request for this initiative would fund up to 70 grants.

Grantees would be required to use funds to: implement an evidence-based reading curriculum that supports differentiated instruction; use formative, diagnostic, and outcome assessments in determining where students need help in learning to read and in tracking student progress; pay salaries for teachers and reading coaches; provide high-quality professional development in reading for teachers, coaches, and administrators; and support reading interventions, including extended learning time, for students who require additional assistance. In addition, grantees would be permitted to provide professional development and technical assistance to non-participating schools within the eligible LEA in order to increase the impact of the project.

Early Reading First

	2008	2009	2010 Request
BA in millions	$112.5	$112.5	$162.5

The $50 million increase requested for this program would support up to 52 new projects to help early childhood programs meet the challenges of preparing pre-school children for success in school by providing high-quality, research-based experiences in language and early literacy. These grants to school districts and non-profit organizations improve the instruction and environment provided by programs primarily serving young children living in poverty, including preschool programs supported by the Title I program, Head Start, and publicly funded or subsidized child care. Moreover, the statutorily required evaluation of the Early Reading First program found numerous positive effects, including improvements in children's print and letter knowledge, which justify an increased investment in the program. This program, along with the Early Learning Challenge Fund (a component of the Zero-to-Five initiative) and existing programs like Head Start, will be of great importance as the Administration pursues the President's commitment to expanding support for quality early childhood education.

Improving Teacher Quality State Grants

	2008	2009	2010 Request
BA in millions	$2,935.2	$2,947.7	$2,947.7

The ESEA required States and school districts to ensure that all teachers were highly qualified—as defined by individual States consistent with ESEA requirements—by the end of the 2005-2006 school year. While the States have not yet met this requirement, more than 90 percent of teachers nationwide are now highly qualified, and nearly all States have put in

place comprehensive plans for meeting the 100 percent target. The Improving Teacher Quality State Grants program is a major source of flexible Federal funding to help States and school districts strengthen the skills of the teaching force, meet the highly qualified teacher requirement, and ensure the equitable distribution of qualified teachers across all schools. Program funds support high-quality professional development that research indicates can improve teaching skills that raise student achievement.

State-level activities may include changes to teacher certification or licensure requirements, alternative certification, tenure reform, merit-based teacher performance systems, and differential and bonus pay for teachers in high-need subject areas. School districts may use funds for professional development, recruitment and retraining of teachers and principals, merit pay, mentoring, and other activities.

The Department also would continue developing the knowledge base on teacher effectiveness by reserving up to $14.7 million (one-half of 1 percent) of the appropriation for evaluation and related activities.

Teacher Incentive Fund
(BA in millions)

	2008	2009	2010 Request
Teacher Incentive Fund	$97.3	$97.3	$487.3
National Teacher Recruitment Campaign....	—	—	30.0
Total	97.3	97.3	517.3

This program provides grants to encourage school districts and States to develop and implement innovative performance-based compensation systems that reward teachers and principals for raising student achievement and for taking positions in high-need schools. States and LEAs, either alone or in partnership with non-profit organizations, may apply for competitive grants to develop and implement performance-based compensation systems for public school teachers and principals. These compensation systems must be based primarily on measures related to student achievement.

The $420 million increase from the regular 2009 appropriation would support a significant expansion of State and school district efforts to develop and implement comprehensive strategies for strengthening the educator workforce and driving improvements in teacher effectiveness. Beginning with the competition that the Department will conduct this year with the $200 million in additional funds provided for this program by the Recovery Act, the Department will place a priority on the support of comprehensive, aligned approaches that support improved teacher and principal effectiveness and help ensure an equitable distribution of effective educators, that actively involve teachers (including special education teachers) and principals in the design of human capital and compensation systems, and that use data from emerging State and local longitudinal data systems to track outcomes and associate those outcomes with educator performance. In addition, the Administration is requesting language that would permit support for performance-based compensation to all staff in a school, because research indicates that this approach can be effective in raising performance across a variety of organizations. This proposed language would replace current language limiting performance-based compensation to teachers and principals.

In addition, the request includes $30 million to support the National Teacher Recruitment Campaign, a comprehensive effort by the Department, working with public and private non-profit partners, to reach out to potential candidates (including non-traditional candidates) for teaching positions, provide information on routes they can take to enter the profession, and support the development of training programs to help these candidates become qualified to teach.

Teacher Quality Partnership

	2008	2009	2010 Request
BA in millions	$33.7[1]	$50.0	$50.0

[1] Funds were provided for the antecedent program, Teacher Quality Enhancement Grants.

The Teacher Quality Partnership program will help improve the quality of teachers working in high-need schools and early childhood education programs by creating model teacher preparation programs and teaching residency programs. In 2009, the Department expects to award $143 million for 30-40 grants in its first competition under the reauthorized program, including $100 million in Recovery Act funds. The 2010 request would maintain support for 21 continuing grants and would fund 4 new Partnership grants.

Mathematics and Science Partnerships

	2008	2009	2010 Request
BA in millions	$179.0	$179.0	$179.0

This program supports State and local efforts to improve students' academic achievement in mathematics and science by promoting strong teaching skills for elementary and secondary school teachers, including by integrating teaching methods based on scientifically based research and technology into the curriculum. Grantees may also use program funds to develop more rigorous mathematics and science curricula that are aligned with challenging State and local content standards; establish distance learning programs for mathematics and science teachers; and recruit individuals with mathematics, science, and engineering majors into the teaching profession through the use of signing and performance incentives, stipends, and scholarships.

Troops-to-Teachers

	2008	2009	2010 Request
BA in millions	$14.4	$14.4	$14.4

The Troops-to-Teachers program helps to improve public school education by recruiting, preparing, and supporting members of the military service as teachers in high-poverty public schools. The Department of Defense administers the program through a Memorandum of

Agreement with ED. A 2006 report by the Government Accountability Office found that the program contributes significantly to the diversity of the population of new teachers, with high percentages of men and minorities as participants. Teachers recruited through the Troops-to-Teachers program also teach math, science, and special education in significantly higher proportions than do public school teachers in general.

Transition to Teaching

	2008	2009	2010 Request
BA in millions	$43.7	$43.7	$43.7

This program supports alternative routes to teacher certification and other innovative approaches for recruiting, training, and placing mid-career professionals, recent college graduates, and educational paraprofessionals in high-need schools and supporting them during their first years in the classroom. The request would support some 91 grants to help States and communities recruit and retain capable and qualified teachers in our Nation's public schools.

Teaching American History

	2008	2009	2010 Request
BA in millions	$117.9	$119.0	$119.0

This program makes competitive grants to school districts for professional development to strengthen the teaching of traditional American history as a separate subject in elementary and secondary schools. The 2010 request would fund approximately 115 to 125 new awards, and national activities funds are requested to continue the operation of the National History Education Clearinghouse and to continue a 4-year national study launched in 2007 that is examining the relationship between participation in the Teaching American History program, increased teacher content knowledge, and student achievement.

School Leadership

	2008	2009	2010 Request
BA in millions	$14.5	$19.2	$29.2

The request includes a $10 million increase to support district efforts to encourage successful school leaders to work in our lowest-performing schools. This increase reflects the Administration's conviction that there is a strong connection between school leadership and student achievement. The program provides competitive grants to assist high-need LEAs in recruiting, training, and retaining principals and assistant principals. The 2010 competition would support projects that (1) develop and implement incentives for principals with demonstrated effectiveness to take positions in low-performing high-need schools, and (2) provide training and mentoring to highly effective teachers to become principals in those schools.

Advanced Credentialing

	2008	2009	2010 Request
BA in millions	$9.6	$10.6	$10.6

This program supports the development and implementation of advanced credentials based on the content expertise of master teachers. The request would support candidate subsidies and support and outreach activities of the National Board for Professional Teaching Standards, as well as the continued development of the Board's advanced credential for school leadership in elementary and secondary schools.

Teach for America
(BA in millions)

	2008	2009	2010 Request
BA in millions	—	—	$15.0

This program would expand efforts by Teach for America, Inc. to recruit, select, train, and support outstanding recent college graduates who commit to serve as teachers for at least 2 years in high-need schools and districts in low-income urban and rural communities across the United States.

Title I State Agency Programs
(BA in millions)

	2008	2009	2010 Request
Migrant Education	$379.8	$394.8	$394.8
Neglected and Delinquent.....	48.9	50.4	50.4
Total	428.7	445.2	445.2

Migrant Education State Grants provide formula-based assistance in meeting the special educational needs of approximately 537,000 children of migrant agricultural workers by helping States identify and pay the higher costs often associated with serving such children. The Department also uses a portion of funding to improve inter- and intra-State coordination of migrant education activities, including the Migrant Student Record Exchange System (MSIX), which enables States to exchange migrant student data records efficiently and expeditiously.

The Title I Neglected and Delinquent program provides formula grants to States in order to support education services for neglected and delinquent children and youth in local and State-run institutions, attending community day programs, and in correctional facilities. The request would help an estimated 132,000 neglected and delinquent students return to and complete school and obtain employment after they are released from State institutions.

English Language Acquisition
(BA in millions)

	2008	2009	2010 Request
Language Acquisition State grants	$649.9	$677.6	$677.6
National Activities.....	45.5	47.4	47.4
Native American grants.....	5.0	5.0	5.0
Total	700.4	730.0	730.0

Title III of the Elementary and Secondary Education Act authorizes formula grants to States based on each State's share of the Nation's limited English proficient (LEP) and recent immigrant student population. Grants help States design and implement statewide activities to meet the educational needs of their LEP students. States must develop annual achievement objectives for LEP students that measure their success in achieving English language proficiency and meeting challenging State academic content and achievement standards.

In order to address the significant year-to-year variation in the child counts prepared by the Census Bureau, the Department is proposing to use counts taken over a 3-year period. In addition to the formula grants to States and the Outlying Areas, the State grants portion includes $5.0 million for competitive grants to assist school districts operated for Native American and Alaska Native children.

The request also would provide continued support for Title III National Activities, including the National Professional Development Project, the National Clearinghouse for English Language Acquisition and Language Instructional Programs, and evaluation activities. The Department funded 3 evaluations in 2008 and 2009, the results of which may inform follow-up studies in 2010.

Educational Technology State Grants

	2008	2009	2010 Request
BA in millions	$267.5	$269.9	$100.0

This program supports State, district, and school efforts to integrate technology effectively into classroom with the goal of improving student academic achievement. The proposed reduction of $169.9 million from the regular 2009 appropriation reflects the significant amount of funds available under the Recovery Act, which provided $650 million for Educational Technology State Grants, that will be available for use through the 2010-2011 school year. The 2010 request would continue the policy of permitting States to use up to 100 percent of their allocations for competitive grants to local educational agencies. Competitive grants are made to high-need districts, or consortia that include such a district, in partnership with an entity having expertise in integrating technology effectively into curricula.

21st Century Community Learning Centers

	2008	2009	2010 Request
BA in millions	$1,081.2	$1,131.2	$1,131.2

This program enables communities to establish or expand centers that provide extended student learning opportunities, such as before- and after-school programs, and provide related services to their families. The request would support an estimated 10,140 centers in communities across the Nation, which will provide children—particularly those who attend schools that have been identified as in need of improvement under Title I—with after-school care and enrichment that reinforce classroom learning. In addition, centers may provide other services, programs, and activities that complement students' regular academic studies, such as art, music, and recreation. Programs may also offer the families of students served with educational opportunities. At the requested level, the program would serve an estimated 1.6 million children and 250,000 adults. Of the participants who are children, an estimated 870,000 will attend for 30 days or more during the year.

Advanced Placement

	2008	2009	2010 Request
BA in millions	$43.5	$43.5	$43.5

Title I, Part G of the Elementary and Secondary Education Act authorizes two programs: the Advanced Placement Test Fee program and the Advanced Placement Incentive program. The purpose of both programs is to support State and local efforts to increase access to Advanced Placement (AP) and International Baccalaureate (IB) classes and tests for low-income students. The statute requires the Secretary to give priority to funding the Advanced Placement Test Fee program, which helps States cover part or all of the AP or IB test fees for students from low-income families. Remaining funds are allocated to Advanced Placement Incentive grants to help States, LEAs, or non-profit organizations expand access to AP and IB courses through such activities as teacher training, course development, and the provision of course materials. Of the requested amount, an estimated $15.4 million will be required to fully fund State applications for the Test Fee program; remaining funds would support the continuation of Advanced Placement Incentive grants awarded in fiscal year 2008 and fiscal year 2009.

Promise Neighborhoods

	2008	2009	2010 Request
BA in millions	—	—	$10.0

This new initiative would provide competitive, 1-year planning grants to non-profit, community-based organizations to support the development of plans for comprehensive neighborhood programs, modeled after the Harlem Children's Zone, designed to combat the effects of poverty and improve education and life outcomes for children, from birth through college. The core idea behind the initiative is that providing both effective schools and strong systems of support to children and youth in poverty and, thus, meeting their health, social services, and educational

needs, will offer them the best hope for a better life. Grantees that develop promising plans and partnerships would be eligible to receive implementation grants the following year. The Department will encourage grantees to coordinate their efforts with programs and services provided by other Federal agencies, including the Departments of Housing and Urban Development, Health and Human Services, Justice, and the Environmental Protection Agency.

Smaller Learning Communities

	2008	2009	2010 Request
BA in millions	$80.1	$88.0	$88.0

The Smaller Learning Communities program helps LEAs create smaller, more personalized learning environments in large schools. LEAs use the funds to, among other things: (1) study the feasibility of creating a smaller learning community or communities; (2) research, develop, and implement strategies for creating smaller learning communities; and (3) provide professional development for school staff in innovative teaching methods that would be used in the smaller learning community or communities. The 2010 request would support 55 continuation and 7 new awards that would support a total of 174 high schools.

Literacy Through School Libraries

	2008	2009	2010 Request
BA in millions	$19.1	$19.1	$19.1

This program helps school districts improve literacy skills by providing students with increased access to up-to-date school library materials and professionally certified school library media specialists. The 2010 request would fund roughly 60 competitive grants that would support the efforts of libraries to help children learn to read well by making information available to all students, training students and teachers about how to obtain and make use of information, and increasing access to technology and information for students in low-income schools.

Charter Schools Grants

	2008	2009	2010 Request
BA in millions	$211.0	$216.0	$268.0

Charter School Grants increase public school choice options by supporting the planning, development, and initial implementation of public charter schools, as well as the dissemination of information on successful charter school practices. The request includes a $52 million increase that represents the first step in meeting the Administration's commitment to double financial support for the program over the next 4 years as part of its overall strategy of promoting successful models of school reform.

A portion of the appropriation (currently $12.7 million) supports the State Charter School Facilities Incentive Grants program, which assists charter schools with their facilities financing

needs by providing matching funds to States that offer per-pupil financial assistance for charter school facilities.

Credit Enhancement for Charter School Facilities

	2008	2009	2010 Request
BA in millions	$8.3[1]	$8.3[1]	$8.3[1]

[1] Funded through a reservation from the appropriation for Charter Schools Grants.

Expanding the number of charter schools is a key strategy for increasing the options available to parents seeking the best educational opportunities for their children. A major obstacle to the creation of charter schools in many communities is limited access to suitable academic facilities. The Credit Enhancement for Charter School Facilities program, funded through a reservation of $8.3 million from the Charter Schools Grants appropriation, provides competitive grants to public and non-profit entities that help charter schools secure the financing needed to purchase, construct, renovate, or lease academic facilities. For example, a grantee might provide guarantees and insurance on bonds and leases. The request would leverage an estimated $99 million and support approximately 14 charter schools over the course of the grants.

Magnet Schools Assistance

	2008	2009	2010 Request
BA in millions	$104.8	$104.8	$104.8

The request would provide $102.5 million for new awards to approximately 40 local educational agencies to operate magnet schools that are part of a court-ordered or court-approved desegregation plan to eliminate, reduce, or prevent minority group isolation in elementary and secondary schools. Magnet schools address their desegregation goals by providing a distinctive educational program that attracts a diverse student population. The Department would reserve about $2.1 million for evaluation and dissemination activities.

Voluntary Public School Choice

	2008	2009	2010 Request
BA in millions	$25.8	$25.8	$25.8

This program supports efforts to establish intradistrict and interdistrict public school choice programs to provide parents, particularly parents whose children attend low-performing public schools, with greater choice for their children's education. Competitive grants support planning and implementation costs associated with new programs, tuition transfer payments to public schools that students choose to attend, and efforts to expand the capacity of schools to meet the demand for choice. The Department made 14 new awards in 2007, with a priority for projects that provide interdistrict choice and aim to improve the academic achievement of

secondary school students. The 2010 request would provide the fourth year of funding for these awards.

Fund for the Improvement of Education

	2008	2009	2010 Request
BA in millions	$121.9	$116.0	$67.1

The Fund for the Improvement of Education (FIE) supports nationally significant programs to improve the quality of elementary and secondary education at the State and local levels and help all students meet challenging State academic achievement standards. The Budget would provide $47 million for new grant awards in the areas of history, civics, and government; reading readiness; and digital professional development. The goal is to develop projects with demonstrated evidence of effectiveness that have the potential for widespread adoption.

The request also would provide $3 million to continue a Data Quality Initiative that is working to improve the quality of Department evaluations and program performance data submitted by grantees in order to help ensure that program decisions are based on sound information; $5 million to pay for the continuation costs of Full-Services Community Schools demonstration grants; and $10.7 million to pay for the continuation costs of other grants awarded in 2009 or earlier. The decrease of $48.9 million reflects the elimination of one-time earmarks.

Foreign Language Assistance

	2008	2009	2010 Request
BA in millions	$25.7	$26.3	$26.3

This program provides 3-year competitive grants to State educational agencies to support systemic approaches to improving foreign language learning in States, and to LEAs to establish, improve, and expand foreign language instruction. The Department has supported State and local proposals to provide instruction in critical foreign languages, defined as Arabic, Chinese, Japanese, Korean, and Russian, as well as languages in the Indic, Iranian, and Turkic families, in addition to the traditional foreign languages.

Congress provided approximately $2.4 million in fiscal year 2008 and an additional $7.4 million in fiscal year 2009 for 5-year grants to LEAs, in partnership with institutions of higher education, to establish or expand articulated programs of study in the critical foreign languages. These grants aim to enable students, as they advance through elementary and secondary school and then college, to attain a superior level of proficiency in languages critical to U.S. national security and economic prosperity. The budget request would expand this initiative in 2010, supporting 34 continuation awards and 9 new awards. The Department intends to also fund continuation awards to LEAs and SEAs under the regular program, plus approximately 38 new awards to LEAs.

Comprehensive Centers

	2008	2009	2010 Request
BA in millions	$57.1	$57.1	$57.1

The Comprehensive Centers provide intensive technical assistance to increase the capacity of State educational agencies (SEAs) to help districts and schools implement ESEA programs and requirements and meet State targets for student achievement. The current system includes 16 regional centers that work with SEAs within specified geographic regions to help them implement ESEA school improvement measures and objectives. In addition, 5 content centers provide in-depth, specialized support in key areas, with separate centers focusing on (1) assessment and accountability; (2) instruction; (3) teacher quality; (4) innovation and improvement; and (5) high schools. Each content center pulls together resources and expertise to provide analyses, information, and materials in its focus area for use by the network of regional centers, SEAs, and other clients. Fiscal year 2009 is the fifth and final year of funding for the current grantees. Fiscal year 2010 funds would support a competition and first-year awards to the new set of grantees.

Parental Information and Resource Centers

	2008	2009	2010 Request
BA in millions	$38.9	$39.3	$39.3

This program awards grants to provide training, information, and support to States, LEAs, and other organizations that carry out parent education and family involvement programs. The request would allow the program to maintain efforts to provide leadership, technical assistance, and financial support to nonprofit institutions and LEAs on the implementation of parental involvement policies, programs, and activities to improve student achievement.

Rural Education

	2008	2009	2010 Request
BA in millions	$171.9	$173.4	$173.4

The Rural Education Achievement Program (REAP) authorizes two programs to assist rural school districts in carrying out activities to help improve the quality of teaching and learning in their schools. The Small, Rural School Achievement program provides formula funds to rural school districts that serve small numbers of students, and the Rural and Low-Income School program provides funds to rural school districts that serve concentrations of poor students, regardless of the district's size. Funds appropriated for REAP are divided equally between these two programs. The request would maintain support for rural, often geographically isolated, districts that face significant challenges in implementing ESEA accountability requirements.

Safe and Drug-Free Schools and Communities National Programs
(BA in millions)

	2008	2009	2010 Request
National activities	$137.7	$140.3[1]	$250.9
Alcohol abuse reduction	32.4	32.7	32.7
Total	170.1[2]	173.0[2]	283.6[2]

[1] Reflects a reprogramming of $1.3 million from the Mentoring program to National Activities.

[2] Excludes amounts for the Mentoring program funded under Safe and Drug-Free Schools and Communities National Programs in 2008 and 2009, which is proposed for termination in 2010.

Teaching and learning to help students achieve rigorous, academic achievement standards and receive the high-quality education they need to compete in the global economy require that our schools are safe and our students are drug-free. Funds for Safe and Drug-Free Schools and Communities (SDFSC) National Activities support competitive grants and other discretionary activities to foster a safe, secure, and drug-free learning environment, facilitate emergency management and preparedness, and prevent drug use and violence by students at all educational levels. The 2010 request, including funds made available through the proposed elimination of the Character Education Program, provides a $110.6 million increase for National Activities.

Highlights of the request for National Activities include: $100 million for a major new initiative of grant assistance to support new approaches designed to change school culture and climate and thereby improve character and discipline and reduce drug use, crime, and violence; $40 million for school emergency preparedness initiatives for elementary and secondary schools and institutions of higher education; $77.8 million for grants to LEAs for comprehensive, community-wide “Safe Schools/Healthy Students” drug and violence prevention projects that are coordinated with local law enforcement and include mental health preventive and treatment services; $7.8 million for school-based drug testing programs for students; $8 million for drug prevention and campus safety programs at institutions of higher education, and $5 million to provide emergency response services to LEAs and IHEs under Project SERV (School Emergency Response to Violence).

The Alcohol Abuse Reduction program supports competitive grants to local educational agencies for projects in secondary schools to prevent under-age drinking. The request for the Alcohol Abuse Reduction program would fund $31 million in grants, along with $1.7 million in technical assistance from the Substance Abuse and Mental Health Services Administration to assist grantees in developing and implementing innovative and effective programs.

Elementary and Secondary School Counseling

	2008	2009	2010 Request
BA in millions	$48.6	$52.0	$52.0

This program provides grants to LEAs to establish or expand elementary school and secondary school counseling programs. The statute requires the Department give consideration to applications that demonstrate the greatest need for services, propose the most promising and innovative approaches, and show the greatest potential for replication and dissemination, and that the first $40 million in appropriated funds be used for elementary school counseling programs.

The presence of counselors in schools provides benefits for both students and teachers by helping to create a safe school environment, improve teacher effectiveness and classroom management, increase academic achievement, and promote student well-being and healthy development. The 2010 request would allow approximately 150 school districts to hire or train qualified school counselors, school psychologists, child and adolescent psychiatrists, and school social workers to provide students with beneficial counseling services, as well as support the development of innovative strategies for providing school counseling services that show potential for replication and dissemination.

Mental Health Integration in Schools

	2008	2009	2010 Request
BA in millions	$4.9	$5.9	$6.9

This program provides grants to State educational agencies, LEAs, and Indian tribes to increase student access to mental health services by supporting programs that link school systems with the local mental health system. The request, which consolidates funding from the Foundations for Learning program with the Mental Health Integration program, would support new awards for comprehensive efforts that link school-based systems with local mental health service systems to the delivery of prevention, diagnostic, and treatment services as well as crisis intervention and consultation services for children and their families.

Physical Education Program

	2008	2009	2010 Request
BA in millions	$75.7	$78.0	$78.0

This program provides grants to LEAs and community-based organizations to pay the Federal share of the costs of initiating, expanding, and improving physical education (PE) programs (including after-school programs) for students in kindergarten through 12th grade, in order to make progress toward meeting State standards for physical education. Funds may be used to provide equipment and support to enable students to participate actively in physical education activities and for training and education for teachers and staff. Awards are competitive, typically for 3 years, and the Federal share may not exceed 90 percent of the total program cost for the first year of the project and 75 percent for each subsequent year. The request would enable the program to continue 192 grants and make 80-130 new awards, which will support implementation of community-wide strategies to increase child fitness, address the serious issue of childhood obesity, and help children develop more healthy lifestyles.

National Writing Project

	2008	2009	2010 Request
BA in millions	$23.6	$24.3	$24.3

This program makes a single, non-competitive award to the National Writing Project. The National Writing Project is a nationwide non-profit educational organization that promotes and supports K-16 teacher training programs in the effective teaching of writing. The 2010 request would support on-going grantee activities.

Ready-to-Learn Television

	2008	2009	2010 Request
BA in millions	$23.8	$25.4	$25.4

This program makes competitive awards to support the development and distribution of educational video and related outreach materials for preschool children, elementary school children, and their parents that are intended to improve school readiness and academic achievement. Programming grantees are required to develop, produce, and distribute age-appropriate educational programming and curricula that utilize scientifically based reading research for children ages 2 through 8 years old, along with their parents and caregivers. The 2010 request would support between 2 and 3 new awards to support the development of RTL children's television programming content and outreach activities and materials.

Reading is Fundamental

	2008	2009	2010 Request
BA in millions	$24.6	$24.8	$24.8

This program funds a contract with Reading is Fundamental, Inc. (RIF) to provide aid to local nonprofit groups and volunteer organizations that serve low-income children through book distribution and reading motivation activities. RIF is a nonprofit literacy organization promoting book ownership, motivational activities, and family and community involvement in children's reading. In selecting its nonprofit recipients, RIF must give priority to groups that serve children with special needs, such as children from low-income families, homeless children, and children with disabilities. The request would support RIF's activities at over 16,000 sites and help deliver over 14.6 million books to children across the Nation.

Excellence in Economic Education

	2008	2009	2010 Request
BA in millions	$1.4	$1.4	$1.4

This program supports a competitive grant to a national nonprofit education organization to promote economic and financial literacy among students in kindergarten through grade 12. The request would continue support for teacher training; economics curriculum development; evaluations on the impact of economics education on students; research on economics education; the creation of school-based student activities to promote consumer, economic, and personal finance education; and the replication of best practices in the effective teaching of economics and financial literacy education. Program funds must be used to supplement other Federal, State, and local funds spent for economics and financial literacy and subgrant recipients must secure a 50-percent match from non-Federal sources.

Arts in Education

	2008	2009	2010 Request
BA in millions	$37.5	$38.2	$38.2

This program makes grants to support the development, documentation, evaluation, and dissemination of innovative models that seek to integrate and strengthen arts instruction in elementary and middle schools, as well as grants to support the development of model professional development programs for music, dance, drama, and visual arts educators. In addition, the program funds VSA Arts, a national organization that sponsors programs to encourage the involvement of persons with disabilities in arts programs, and the John F. Kennedy Center for the Performing Arts for its arts education programs for children and youth. The request would provide approximately $14.7 million for model development and dissemination grants, $7.8 million for professional development, and $15.5 million for VSA Arts and the Kennedy Center.

Indian Education
(BA in millions)

	2008	2009	2010 Request
Grants to Local Educational Agencies	$96.6	$99.3	$99.3
Special Programs for Indian Children	19.1	19.1	19.1
National Activities.....	3.9	3.9	3.9
Total	119.6	122.3	122.3

Indian Education programs supplement the efforts of State and local educational agencies and Indian tribes to improve educational opportunities for Indian children. The programs link these efforts to broader educational reforms underway in States and localities in order to ensure that Indian students benefit from those reforms and achieve to the same challenging academic standards as other students.

Grants to Local Educational Agencies provide formula grants to public and Department of the Interior/Bureau of Indian Education-supported schools for activities to improve the educational achievement of Indian students. Special Programs for Indian Children includes $8.7 million in competitive grants for the American Indian Teacher Corps and the American Indian Administrator Corps, to support training of Indians to become teachers and administrators in schools that serve concentrations of Indian children, and $10.2 million for competitive

demonstration grants to improve educational opportunities for Indian children in such areas as early childhood education and college preparation.

The request also provides $3.9 million for National Activities, which funds research, evaluation, and data collection designed to fill gaps in our understanding of the educational status and needs of Indians and to identify educational practices that are effective with Indian students. The program also provides technical assistance to school districts and other entities receiving Indian Education formula and discretionary grants.

Education for Native Hawaiians

	2008	2009	2010 Request
BA in millions	$33.3	$33.3	$33.3

This program supports the provision of supplemental education services to the Native Hawaiian population by awarding competitive grants to eligible applicants for a variety of authorized activities in such areas as teacher training, family-based education, gifted and talented education, special education, higher education, and community-based education learning centers. The program also supports the activities of the Native Hawaiian Education Council, which helps coordinate the educational and related services and programs available to Native Hawaiians. The request would support approximately 33 new awards.

Alaska Native Education Equity

	2008	2009	2010 Request
BA in millions	$33.3	$33.3	$33.3

The Alaska Native Education Equity program supports supplemental educational programs and services to Alaska Natives by awarding competitive grants to eligible applicants for a variety of authorized activities, including the development and implementation of curricula and educational programs, professional development activities for educators, the development and operation of home instruction programs that help ensure the active involvement of parents in their children's education, family literacy services, student enrichment programs in science and mathematics, and dropout prevention programs. The request would primarily support the continuation of existing grants, but also would fund approximately 19 new grants.

Exchanges with Historic Whaling and Trading Partners

	2008	2009	2010 Request
BA in millions	$8.8	$8.8	$8.8

This program supports culturally based educational activities, internships, apprenticeship programs, and exchanges for Alaska Natives, Native Hawaiians, the people of Massachusetts, and any federally recognized Indian tribe in Mississippi. Activities include artifact exchanges, the development of culture-based learning models, collaborative research, teacher-driven

curriculum development, and publishing print and web resources. Other, site-specific initiatives include exhibits, internships and apprenticeships, live cultural displays such as music and dance, gallery talks, guided tours, storytelling, and examinations of primary source material.

Education for Homeless Children and Youths

	2008	2009	2010 Request
BA in millions	$64.1	$65.4	$65.4

This program provides formula grants to States, which subgrant most funds to LEAs for tutoring, transportation, and other services that help homeless children to enroll in, attend, and succeed in school. In addition to academic instruction, the program helps ensure access for these children to preschool programs, special education, and gifted and talented programs.

While nearly all States have eased residency requirements and improved transportation and immunization policies to ensure greater access for homeless students over the past decade, those students continue to be at significant risk of educational failure. The request, which would maintain support for State and local activities designed to reduce that risk, would be in addition to the $70 million provided for Education for Homeless Children and Youths by the Recovery Act to help ensure that LEAs have sufficient resources to meet educational needs of growing numbers of homeless students during the current economic decline.

Special Programs for Migrant Students

	2008	2009	2010 Request
BA in millions	$33.3	$34.2	$36.7

Special Programs for Migrant Students include the High School Equivalency Program (HEP), which funds competitively selected projects to help low-income migrant and seasonal farm workers gain high school diplomas or equivalency certificates, and the College Assistance Migrant Program (CAMP), which makes competitive grants to provide stipends and special services, such as tutoring and counseling, to migrant students who are in their first year of college. The 2010 request, a $2.5 million increase, would support approximately 44 HEP projects and 40 CAMP projects, as well as outreach, technical assistance and professional development activities.

Supplemental Education Grants (Compact of Free Association Amendments Act)

	2008	2009	2010 Request
BA in millions	$17.7	$17.7	$17.7

The request would maintain support for Supplemental Education Grants to the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI), as authorized by the Compact of Free Association Amendments Act of 2003 (P.L. 108-188). Under this program, the Department transfers funds and provides recommendations on funding to the Department of the

Interior, which makes grants to the FSM and RMI for educational services that augment the general operations of the educational systems of the two entities.

P.L. 108-188 eliminated RMI and FSM participation in most domestic formula grant programs funded by the Departments of Education, Health and Human Services, and Labor, and created this program to supplement separate education support programs under the Compact. The request would allow the RMI and FSM to support programs that focus on improving the educational achievement of students in the two Freely Associated States.

Impact Aid
(BA in millions)

	2008	2009	2010 Request
Payments for Federally Connected Children:			
Basic Support Payments	$1,105.5	$1,128.5	$1,128.5
Payments for Children with Disabilities	48.6	48.6	48.6
Facilities Maintenance	4.9	4.9	4.9
Construction	17.5	17.5	17.5
Payments for Federal Property	64.2	66.2	66.2
Total	1,240.7	1,265.7	1,265.7

The Impact Aid program provides financial support to school districts affected by Federal activities. The property on which certain children live is exempt from local property taxes, denying districts access to the primary source of revenue used by most communities to finance education. Impact Aid helps to replace the lost local revenue that would otherwise be available to districts to pay for the education of these children.

The $1.1 billion request for Basic Support Payments would provide formula grants for both regular Basic Support Payments and Basic Support Payments for Heavily Impacted LEAs.

The $48.6 million request for Payments for Children with Disabilities would provide formula grants to help eligible districts meet their obligations under the Individuals with Disabilities Education Act to provide a free appropriate public education for federally connected children with disabilities.

The Department of Education owns and maintains 24 school facilities that serve large numbers of military dependents. The $4.9 million request for Facilities Maintenance would fund essential repair and maintenance of these facilities and allow the Department to continue to transfer schools to local school districts.

School districts also generally pay for most of their school construction costs using their own resources and rely on property taxes to finance these costs. Districts affected by Federal operations have limited access to those sources of funding. Continuing the policy established in the fiscal year 2008 appropriation, the entire $17.5 million proposed for Construction would be used for competitive grants, rather than the formula grants that are also currently authorized under the program. Unlike the formula grants, the competitive grants are targeted to the LEAs

with the greatest need and provide sufficient assistance to enable those LEAs to make major repairs and renovations.

The $66.2 million request for Payments for Federal Property would provide formula-based payments to districts that generally have lost 10 percent or more of their taxable property to the Federal Government.

Training and Advisory Services (Title IV of the Civil Rights Act)

	2008	2009	2010 Request
BA in millions	$7.0	$9.5	$7.0

This program supports 10 regional Equity Assistance Centers, selected competitively, that provide services to school districts on issues related to discrimination based on race, gender, and national origin. Typical activities include disseminating information on successful practices and legal requirements related to nondiscrimination, providing training to educators to develop their skills in specific areas, such as in the identification of bias in instructional materials, and technical assistance on selection of instructional materials. The fiscal year 2009 appropriation included an additional $2.5 million to support school districts affected by the 2007 Supreme Court decision prohibiting student assignment plans that use race as a factor. The Department will make one-time awards that will enable school districts to obtain assistance in developing and implementing student assignment plans that comply with the Supreme Court decision while maintaining integrated and diverse schools. The request would support the third and final year of funding for the current grantees, as well as the annual administration of a customer satisfaction survey and an analysis of its results.

Women's Educational Equity

	2008	2009	2010 Request
BA in millions	$1.8	$2.4	$2.4

This program makes competitive awards to a variety of public and private organizations, agencies, and institutions to promote gender equity in education through projects involving the design and implementation of gender-equity policies and practices. Research, development, and dissemination activities also may be funded. The request would fund continuation awards for grants made in fiscal year 2009.

B. SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Overview

The Administration is committed to providing Americans with disabilities the educational opportunities they need to succeed, increasing their employment rate, and supporting independent, community-based living. The 2010 request funds a wide range of programs that can improve educational, employment, and independent living outcomes for people with disabilities.

The $12.6 billion request for Special Education programs focuses on improving educational and early intervention outcomes for children with disabilities. For the Grants to States program, the Administration is requesting $11.5 billion, level with the fiscal year 2009 appropriation, to maintain the Federal contribution toward meeting the excess cost of special education at about 17 percent of the national average per pupil expenditure (APPE), and provide an estimated average of $1,713 per student for about 6.7 million children ages 3 through 21. Funding for the Grants for Infants and Families and Preschool Grants programs also would be maintained at their 2009 levels.

The $252.8 million request for Special Education National Activities would maintain level funding for a variety of technical assistance, dissemination, training, and other activities that assist States, local educational agencies, parents, and others in improving results for children with disabilities. Funding for Special Olympics programs also would be maintained at the 2009 level.

For Rehabilitation Services and Disability Research, the Budget provides $3.5 billion to support comprehensive and coordinated vocational rehabilitation and independent living services for individuals with disabilities through research, training, demonstration, technical assistance, evaluation, and direct service programs. The request includes $3.1 billion for Vocational Rehabilitation (VR) State Grants, an increase of $110.1 million, to help over 200,000 individuals with disabilities obtain or maintain employment.

Other proposed increases include $3 million for the National Institute on Disability and Rehabilitation Research to support demonstration projects that implement promising models of postsecondary education programs for students with intellectual disabilities and evaluate the outcomes associated with these models, and $3 million for the Centers for Independent Living program to support the continuation of services that empower individuals with disabilities to live independently and participate fully in all aspects of their communities.

All other programs in the Rehabilitation account would be maintained at the 2009 level, except for some small adjustments to Evaluation and Program Improvement, as well as a decrease in the Demonstration and Training program that reflects the elimination of earmarked projects.

Special Education State Grants

Grants to States

	2008	2009	2010 Request
BA in millions	$10,947.5	$11,505.2	$11,505.2
Estimated average Federal share per child	$1,609	$1,713	$1,713

The Grants to States program, which is authorized under the Individuals with Disabilities Education Act (IDEA), makes formula grants that help States pay the additional costs of providing special education and related services to children with disabilities aged 3 through 21 years. The request would maintain program spending at the 2009 level. That would maintain the Federal contribution toward meeting the excess cost of special education at about 17 percent of the national average per pupil expenditure, and provide a per-child average of $1,713 for an estimated 6,718,000 children with disabilities.

The Administration believes that the request level is appropriate in view of the $11.3 billion provided for Part B Grants to States under the Recovery Act. This unprecedented increase, much of which will be available for use by LEAs in fiscal year 2010 (for the 2010-11 school year), means that the effective request for 2010 is billions of dollars higher than the 2009 level.

Under IDEA, States are required to provide a free appropriate public education to all children with disabilities. Services are provided in accordance with individualized education programs that are developed by teams that include the child's parents; a special educator; a representative of the local educational agency; a regular educator, if appropriate; and others. In addition, services must be provided—to the maximum extent appropriate—in the least restrictive environment, which for most children means in classes with children who are not disabled. Under IDEA, children with disabilities must be included in general State and district-wide assessments, including the assessments required under ESEA. States must provide appropriate accommodations, where necessary, to enable children with disabilities to participate in these assessments, or alternate assessments for those children who cannot participate in regular assessments.

The request also includes $15.0 million that would be reserved for technical assistance to improve the capacity of States to meet the data collection requirements of the IDEA.

Preschool Grants

	2008	2009	2010 Request
BA in millions	$374.1	$374.1	$374.1

This program provides formula grants to help States make a free appropriate public education available to all children with disabilities ages 3 through 5. The program supplements funds provided under the Grants to States program and helps to ensure that young children with disabilities are ready to learn when they enter school. The request would provide an estimated $506 per child for approximately 739,070 children.

Grants for Infants and Families

	2008	2009	2010 Request
BA in millions	$435.7	$439.4	$439.4

This program makes formula grants to help States implement statewide systems of early intervention services for all eligible children with disabilities from birth through age 2 and their families. The Grants for Infants and Families program helps State and local agencies identify and serve children with disabilities early in life when interventions can be most effective in improving educational outcomes. The budget request will provide support to 57 State agencies serving approximately 354,900 infants and toddlers with disabilities and their families.

Special Education National Activities

Special Education National Activities programs support State efforts to improve early intervention and educational results for children with disabilities. The total request for National Activities is $252.8 million.

State Personnel Development

	2008	2009	2010 Request
BA in millions	$22.6	$48.0	$48.0

This program provides competitive grants to help States reform and enhance their systems for personnel preparation and professional development in the areas of early intervention, educational, and transition services. The request would support continuation awards to 38 States and new awards to 8 States aimed at improving results for children through the delivery of high quality instruction and the recruitment and retention of highly qualified personnel.

Technical Assistance and Dissemination

	2008	2009	2010 Request
BA in millions	$48.0	$48.5	$48.5

This program funds competitive grants for technical assistance and dissemination of materials based on knowledge gained through research and practice. This request is in addition to the separate $15.0 million to be set aside under the Grants to States program to help States meet data collection requirements.

Personnel Preparation

	2008	2009	2010 Request
BA in millions	$88.2	$90.7	$90.7

This program helps ensure that there are adequate numbers of personnel with the skills and knowledge necessary to help children with disabilities succeed educationally. Program activities focus both on meeting the demand for personnel to serve children with disabilities and improving the qualifications of these personnel, with particular emphasis on incorporating knowledge gained from research and practice into training programs. The Department is required to support training for leadership personnel and personnel who work with children with low-incidence disabilities, at least one activity in the broadly defined area of personnel development, and enhanced support for beginning special educators. At the request level, $21.6 million would be available for new competitive grants and $68.5 million for continuation awards.

Parent Information Centers

	2008	2009	2010 Request
BA in millions	$26.5	$27.0	$27.0

Parent Information Centers provide parents with the training and information they need to work with professionals in meeting the early intervention and special education needs of their children with disabilities. The request would support new competitive grants and continuation awards for about 88 centers as well as awards to provide technical assistance to the centers.

Technology and Media Services

	2008	2009	2010 Request
BA in millions	$39.3	$38.6	$38.6

This program makes competitive awards for research, development, and other activities that promote the use of technology, including universal design features, in providing special education and early intervention services. Funds also support media-related activities, such as providing video description and captioning of films and television appropriate for use in classrooms for individuals with visual and hearing impairments and increasing the availability of textbooks in accessible formats for individuals with visual impairments and other print disabilities. Funding used for earmarked projects in 2009 would be used for new competitive grants in 2010.

Special Olympics Education Programs

	2008	2009	2010 Request
BA in millions	$11.8	$8.1	$8.1

This program supports the expansion of Special Olympics and the design and implementation of Special Olympics education programs. The request includes $4.4 million to support Project UNIFY, an education program designed to develop teamwork skills and increase awareness and social acceptance of individuals with intellectual disabilities.

Rehabilitation Services and Disability Research

Vocational Rehabilitation (VR) State Grants

	2008	2009	2010 Request
BA in millions	$2,874.0	$2,974.6	$3,084.7

This program, funded through mandatory appropriations, provides formula grants to State vocational rehabilitation agencies to help individuals with disabilities become gainfully employed. A wide range of services are provided each year to over 1 million individuals with disabilities, including vocational evaluation, counseling and guidance, work adjustment, diagnosis and treatment of physical and mental impairments, education and vocational training, job placement, and post-employment services. States that are unable to serve all eligible individuals with disabilities who apply must give priority to individuals with the most significant disabilities. Services are provided according to an individualized plan for employment. In 2008, the VR program helped over 200,000 individuals with disabilities—92 percent with significant disabilities—achieve employment outcomes.

The $3.1 billion request, an increase of $110.1 million or 3.7 percent, would help State VR agencies increase the participation of individuals with disabilities in the labor force. The request would satisfy the statutory requirement to increase funding by at least the percentage change in the Consumer Price Index. The request also includes $37.4 million for grants to Indian tribes.

Client Assistance State Grants

	2008	2009	2010 Request
BA in millions	$11.6	$11.6	$11.6

This program makes formula grants to States for activities to inform and advise clients of benefits available to them under the Rehabilitation Act, to assist them in their relationships with service providers, and to ensure the protection of their rights under the Act. The request would support advocacy services for approximately 62,437 individuals with disabilities.

Training

	2008	2009	2010 Request
BA in millions	$37.8	$37.8	$37.8

The Training program makes competitive grants to State and other public or nonprofit agencies and organizations, including institutions of higher education, to help ensure that personnel with adequate skills are available to provide rehabilitation services to persons with disabilities. The 2010 request includes $22.3 million for 124 projects receiving continuation awards and $14.7 million for 134 new awards.

Demonstration and Training Programs

	2008	2009	2010 Request
BA in millions	$10.2	$9.6	$6.5

Demonstration and Training Programs support competitive grants for projects that expand and improve the provision of rehabilitation and other services authorized under the Rehabilitation Act, including related research and evaluation activities. All funds requested would cover the costs of activities that began in previous fiscal years, such as the support of four new demonstration projects to obtain high quality employment outcomes for Social Security Disability Insurance beneficiaries and Supplemental Security Income recipients that will begin this year. The requested decrease for 2010 reflects the elimination of earmarked projects.

Migrant and Seasonal Farmworkers

	2008	2009	2010 Request
BA in millions	$2.2	$2.2	$2.2

This program awards competitive grants to State vocational rehabilitation agencies and nonprofit organizations to provide rehabilitation services to migratory workers with disabilities. States that receive funding under this program are consistently more focused on serving this population than those that do not. The request would support two new projects and nine ongoing projects.

Recreational Programs

	2008	2009	2010 Request
BA in millions	$2.5	$2.5	$2.5

This program supports projects that provide recreation and related activities for individuals with disabilities to aid in their employment, mobility, independence, socialization, and community integration. The request would fund 10 new projects and 15 ongoing projects.

Protection and Advocacy of Individual Rights (PAIR)

	2008	2009	2010 Request
BA in millions	$16.2	$17.1	$17.1

This formula grant program funds systems in each State to protect and advocate for the legal and human rights of individuals with disabilities, helping them to pursue legal and administrative remedies to secure their rights under Federal law. The PAIR systems also provide information on, and referrals to, programs and services for individuals with disabilities. The request would support advocacy services to approximately 71,419 individuals with disabilities.

Projects with Industry (PWI)

	2008	2009	2010 Request
BA in millions	$19.2	$19.2	$19.2

The PWI program funds projects that help individuals with disabilities obtain employment and advance their careers in the competitive labor market. PWI promotes the involvement of business through Business Advisory Councils that participate in project policymaking and provide advice on available jobs and training requirements. In fiscal year 2007, PWI placed over 5,000 individuals with disabilities in competitive employment. Most of the individuals served through this program are considered difficult to place due to significant disability or extended unemployment (at least 6 months at time of project entry). The request would fund 66 continuation awards.

Supported Employment State Grants

	2008	2009	2010 Request
BA in millions	$29.2	$29.2	$29.2

This program supplements supported employment services funded through the VR State Grants program by making additional formula grants that assist States in providing supported employment services to individuals with the most significant disabilities who have a goal of supported employment under the VR State Grants program. Supported employment placements are achieved by augmenting short-term VR services with ongoing support provided by other public or non-profit organizations. Of the roughly 38,000 individuals receiving VR services who had a goal of supported employment and exited the program in fiscal year 2007, about 54 percent received services funded, in part, through Supported Employment State Grants.

Independent Living
(BA in millions)

	2008	2009	2010 Request
Independent Living State Grants	$22.2	$23.4	$23.4
Centers for Independent Living.....	73.3	77.3	80.3
Services for Older Blind Individuals	32.3	34.2	34.2

The Independent Living programs provide services to individuals with disabilities to maximize their independence and productivity and to help them integrate into the mainstream of American society. The State Grants program awards formula grants to States to expand and improve independent living services and to support the operation of centers for independent living. The Centers for Independent Living program makes competitive grants to support a network of consumer-controlled, nonresidential, community-based centers that provide a broad range of independent living services. The formula-based Services for Older Blind Individuals program assists individuals aged 55 or older whose severe visual impairments make competitive employment difficult to obtain, but for whom independent living goals are feasible. At the requested level, program funds would directly support 78 designated State units under the State Grants program and 56 grantees under the Services for Older Blind Individuals program. The requested increase of $3 million for the Centers for Independent Living program would help the centers to provide services that empower individuals with disabilities to live independently and participate fully in all aspects of their communities.

Program Improvement

	2008	2009	2010 Request
BA in millions	$0.6	$0.6	$0.9

These funds, awarded through competitive grants and contracts, support activities that increase program effectiveness, improve accountability, and enhance the Department's ability to address critical areas of national significance in achieving the purposes of the Rehabilitation Act. Funds would be used to support new and ongoing projects designed to increase the Department's capacity for providing technical assistance to State VR agencies and other grantees. Nearly half of the program funds would be used to continue support for the National Vocational Rehabilitation Technical Assistance Center.

Evaluation

	2008	2009	2010 Request
BA in millions	$1.4	$1.4	$1.2

These funds are used to evaluate the impact and effectiveness of programs authorized by the Rehabilitation Act. The request would continue support for evaluation activities begun in fiscal years 2008 and 2009 and provide funds to initiate two new evaluations. In fiscal year 2009, the Department will begin an evaluation planning process that will identify the data needed to

measure and define program success and produce a comprehensive multi-year plan for evaluating programs authorized under the Rehabilitation Act.

Helen Keller National Center for Deaf-Blind Youths and Adults

	2008	2009	2010 Request
BA in millions	$8.4	$8.4	$8.4

This program serves individuals who are deaf-blind, their families, and service providers through a national headquarters center with a residential training and rehabilitation facility and a network of 10 regional offices that provide referral, counseling, training, and technical assistance. At the request level, the Center would provide direct services for approximately 122 clients in its residential training and rehabilitation program and serve an estimated 1,600 individuals, 500 families, and 1,000 agencies through its regional offices.

National Institute on Disability and Rehabilitation Research

	2008	2009	2010 Request
BA in millions	$105.7	$107.7	$110.7

The National Institute on Disability and Rehabilitation Research (NIDRR) helps improve the lives of persons of all ages with disabilities through a comprehensive and coordinated program of research, demonstration projects, and related activities, including training of persons who provide rehabilitation services or conduct rehabilitation research. NIDRR awards discretionary grants that support the Rehabilitation Engineering Research Centers (RERC), Rehabilitation Research and Training Centers (RRTC), Model Systems projects for Spinal Cord Injury (SCI), Traumatic Brain Injury (TBI), and Burn Injury, field-initiated research and development projects, and a wide range of additional research, demonstration, and training projects that address diverse issues in rehabilitation, including ways to improve educational, employment, and independent living opportunities for persons with disabilities.

In recent years, the RERCs have sponsored innovative assistive technology research that has helped individuals with disabilities to achieve greater independence. In addition, the RRTCs conducted research, training, and information dissemination in identified problem areas, such as barriers to employment for individuals with psychiatric disabilities. Model Systems projects have focused on the delivery, demonstration, and evaluation of comprehensive medical, vocational, and other rehabilitation services for individuals with SCI, TBI, and Burn Injury.

The requested $3 million increase would be used to support demonstration projects that implement promising models of postsecondary education programs for students with intellectual disabilities and evaluate the outcomes associated with these models.

Assistive Technology

	2008	2009	2010 Request
BA in millions	$29.9	$31.0	$31.0

Assistive Technology (AT) programs support grants to States to increase access to and funding for assistive technology devices and services for individuals with disabilities of all ages. The request includes $25.7 million for the AT State grant program, $4.3 million for the Protection and Advocacy for Assistive Technology program, and $1.0 million for technical assistance required under the AT Act's National Activities authority.

Special Institutions for Persons with Disabilities
(BA in millions)

	2008	2009	2010 Request
American Printing House for the Blind (APH)	$21.6	$22.6	$22.6
National Technical Institute for the Deaf (NTID).....	59.7	64.2	68.4
Gallaudet University.....	113.4	124.0	120.0
Total	194.7	210.8	211.0

The American Printing House for the Blind provides specially manufactured education materials for students who are visually impaired, offers advisory services for consumers and educational agencies, and conducts applied research related to the development of new products. At the request level, APH would provide free educational materials to approximately 60,000 persons with visual impairments at an average per student allotment of $290, continue funding for initiatives to improve its technical assistance and outreach services, and support a variety of continuing and new research projects.

The National Technical Institute for the Deaf provides postsecondary technical education and training for students who are deaf, and graduate education and interpreter training for persons who are deaf or hearing. NTID also conducts research and provides training related to the education and employment of individuals who are deaf. The request would support education and training for approximately 1,210 undergraduate and technical students, 105 graduate students, and 130 interpreters for persons who are deaf. The request maintains the 2009 level for operations and increases construction funding to provide a total of $5.4 million for an institution-wide energy efficiency project.

Gallaudet University offers undergraduate, continuing education, and graduate programs for persons who are deaf and hearing. Gallaudet also maintains and operates the Kendall Demonstration Elementary School and Model Secondary School for the Deaf (MSSD). The request provides $118.0 million for operations, including funds for the Endowment Grant program, and $2 million for construction reflecting lower costs as an MSSD facilities project nears completion. The request would help the University serve approximately 1,740 undergraduate and graduate students and 365 elementary and secondary education students in the 2009-10 school year.

C. CAREER, TECHNICAL, AND ADULT EDUCATION

Overview

Programs in the Career, Technical, and Adult Education account provide formula grants to States to further State and community efforts to improve career and technical education, adult education and literacy systems, educational services for incarcerated individuals, and competitive grants and contracts for evaluation, performance measurement and improvement, technical assistance, research and development, and other national activities.

Career and Technical Education
(BA in millions)

	2008	2009	2010 Request
Career and Technical Education			
State Grants	$1,160.9	$1,160.9	$1,160.9
Tech Prep Education State Grants	102.9	102.9	102.9
National Programs	7.9	7.9	7.9
Total	1,271.7	1,271.7	1,271.7

Funds for the Career and Technical Education (CTE) State Grants program would support continued improvement and upgrading of CTE programs as part of a strategy for improving high school education and preparing high school students to enter the workplace or pursue postsecondary education. The program authorization also directs States to create “programs of study,” which are coherent sequences of non-duplicative CTE courses that progress from the secondary to the postsecondary level, include rigorous and challenging academic content along with career and technical content, and lead to an industry-recognized credential or, at the postsecondary level, to an associate or baccalaureate degree.

The Tech Prep program funds grants to consortia of school districts (or other agencies that provide secondary career and technical education) and institutions of higher education for the development and implementation of programs of non-duplicative, sequential courses of study that combine at least 2 years of secondary education and 2 years of postsecondary education with work-based learning experiences. Local tech prep programs can be dual-enrollment programs, in which high school students take college courses for credit as part of their sequential coursework.

Career and Technical Education National Programs funds support the National Career and Technical Education Research Center, as well as projects to improve the quality of the performance data States collect and report to the Department.

Adult Education (Adult Basic and Literacy Education)
(BA in millions)

	2008	2009	2010 Request
Adult Basic and Literacy Education			
State Grants	$554.1	$554.1	$628.2
National Leadership Activities	6.9	6.9	13.4
National Institute for Literacy	6.5	6.5	—
Total	567.5	567.5	641.6

Adult Basic and Literacy Education State Grants assist adults without a high school diploma or equivalent to become literate and obtain the knowledge and skills necessary for employment or postsecondary education and self-sufficiency. The request includes an increase of $74.1 million over the 2009 level that would assist States in meeting the significant and ongoing need for adult education services. The increase includes $67.0 million to compensate certain States for errors in calculating formula grant awards between fiscal years 2003 and 2008. This one-time increase would provide these States the additional amounts to which they were entitled, while holding harmless the States that received overpayments during this period.

The request also includes $75.0 million for the English Literacy/Civics Education State Grants set-aside, a $7.1 million increase from the 2009 level, which would help States and communities provide limited English proficient adults with expanded access to high-quality English literacy programs linked to civics education. The $13.4 million request for National Leadership Activities, an increase of $6.5 million, would support efforts to improve the quality of adult education programs, including evaluations of the effectiveness of adult education interventions, training institutes, adult literacy surveys, and technical assistance on performance-based funding models. The increased funds would be made available by terminating support for the National Institute for Literacy (NIFL). The Administration believes that funds can be spent in a more coordinated and efficient manner through the Office of Vocational and Adult Education, while eliminating the additional costs of NIFL's infrastructure.

State Grants for Training of Incarcerated Individuals

	2008	2009	2010 Request
BA in millions	$22.4	$17.2	$17.2

This program helps State correctional agencies enable nearly 200,000 eligible incarcerated individuals to acquire postsecondary education, counseling, and vocational training.

D. STUDENT FINANCIAL ASSISTANCE

Overview

The President's 2010 Budget makes a historic commitment to increasing college access and success by expanding financial aid while making it simpler, more reliable, and more efficient. Under the Budget, the Department of Education will administer over $129 billion in new grants, loans, and work-study assistance in 2010—a 32 percent increase over the amount available in 2008—to help more than 14 million students and their families pay for college.

More specifically, the request would establish a Pell Grant maximum of $5,550 for the 2010-11 academic year and then index the maximum grant to grow faster than inflation in future years (at a rate equal to the consumer price index plus 1 percentage point). The Budget would also make Pell Grant funding mandatory, rather than discretionary, to eliminate uncertainty and end the practice of "backfilling" billions of dollars in Pell shortfalls. These changes would result in a 2-year increase in funding for Pell Grants (from the 2008-09 school year to the 2010-11 school year) of $10.4 billion, or 57 percent. The number of recipients would rise by nearly 1.5 million, or 24 percent, over the same period.

The Budget also asks Congress to end entitlements for financial institutions that process Federal postsecondary student loans to students and parents. The Federal Family Education Loan (FFEL) program relies on excessive subsidies and no longer is capable of playing its historical role of raising private capital to help finance Federal student loan programs. As a result, FFEL needlessly costs taxpayers billions of dollars and subjects students to uncertainty because of turmoil in the financial markets. The request would address these problems by making all new loans through the direct lending program. Direct lending takes advantage of low-cost and stable sources of capital so students are ensured access to loans and provided high-quality servicing by using competitive, private-sector providers to process loans and payments. Using direct lending to originate and service all new postsecondary student loans would save an estimated $21 billion over 5 years, savings that would be reinvested in student aid through the expanded Pell Grant program.

In addition, the request proposes to expand and modernize the Perkins Loan program so that it would provide $6 billion a year in new loan volume—six times the current Perkins volume—for up to 2.7 million students at roughly 2,700 additional postsecondary education institutions. The loans would have the same low 5 percent interest rate and allowed loan amounts (both undergraduate and graduate) as in the current Perkins program. Institutional loan forgiveness costs on existing loans, currently supported by discretionary appropriations, would be fully funded from the Federal share of Perkins Loan collections. To make loans more broadly available and help finance the expanded Pell Grant, interest on the loans would accrue while students are in school. The Department would service Perkins Loans along with other Federal loans, with estimated overall savings totaling $3.2 billion over 5 years.

Finally, the proposed College Access and Completion Fund would invest $2.5 billion in mandatory funding over 5 years to build a Federal-State-local partnership to improve college success and completion, particularly for students from disadvantaged backgrounds. This initiative would provide flexible funding to States and national entities to help expand the knowledge base about what works in increasing college enrollment and graduation and disseminate these best practices.

Student Aid Summary Tables

Budget Authority ($ in millions)	2008	2009	2010 Request
Pell Grants			
Discretionary funding	$14,215.0[1]	$17,288.0[1]	—
Mandatory funding	2,041.0	2,090.0	$28,654.1[1]
Subtotal, Pell Grants	16,256.0	19,378.0	28,654.1
Supplemental Educational Opportunity Grants	757.5	757.5	757.5
Work-Study	980.5	980.5	980.5
Leveraging Educational Assistance Partnerships	63.9[2]	63.9[2]	63.9[2]
Academic Competitiveness Grants	395.0[3]	73.0[3]	1,386.0[3]
College Access and Completion Fund	—	—	500.0
TEACH Grants	7	-1.5	-2.4
Federal Family Education Loans	-1,977.4[4]	-24,573.8[4]	-2,729.1[4]
Federal Direct Loans	4,075.3[5]	-6,593.4[5]	-13,847.3[5]
Perkins Loans	64.3	67.2	-497.7[6]
Total	20,622.1	-9,848.7	14,765.8
Recovery Act appropriation [7]			
Pell Grants	—	16,283.0	-7,522.9
Work-Study	—	200.0	—
Total	—	16,483.0	-7,522.9

[1] Amount for 2010 reflects proposed rescission of $3.030 billion in mandatory funds appropriated under the College Cost Reduction and Access Act, $831 million in mandatory Recovery Act funds, and $7.5 billion in discretionary Recovery Act funds that will be reclassified as mandatory.

[2] Includes $33.9 million in 2008, 2009, and 2010 for Special LEAP or, beginning in 2009, Grants for Access and Persistence, which will replace Special LEAP after a 2-year transition period.

[3] Amount for 2008 reflects a rescission of $525 million in unneeded, unobligated balances; amount for 2009 reflects postponement of $887 million in 2009 funding until 2010; amount for 2010 reflects availability of 2009 delayed funding and proposed cancellation of $511 million in unneeded prior-year balances.

[4] Budget authority requested for FFEL does not include the Liquidating account. The 2008 amount includes a net upward re-estimate of $990.0 million primarily related to revised economic assumptions and a net downward modification of $2.5 billion reflecting the impact of new legislation, primarily the College Cost Reduction and Access Act, on existing loans. The 2009 amount includes a net downward re-estimate of $16.0 billion primarily related to revised interest rates. The 2009 amount also includes a $2.6 billion downward modification to reflect the impact of new legislation, primarily the Ensuring Continued Access to Student Loans Act, on existing loans. (Re-estimates and modifications reflect the impact of changes on an outstanding FFEL portfolio of over $440 billion.)

[5] For 2008, the Direct Loan amount includes a net upward re-estimate of $584.5 million primarily related to revised assumptions related to revised interest rates and assumptions related to income-contingent repayment. The 2008 amount also includes a $4.1 billion upward modification to reflect the effect of the College Cost Reduction and Access Act on existing loans. The 2009 amount includes a net upward re-estimate of $119.4 million primarily related to revised interest rates. (Re-estimates and modifications reflect the impact of changes on an outstanding Direct Loan portfolio of nearly $120 billion.)

[6] Amount for 2010 reflects proposal to shift Perkins Loan to a mandatory credit program.

[7] Reflects proposals to reclassify and rescind unneeded Pell Grant balances in 2010, as is shown more fully under the discussion of the Pell Grant program below.

Aid Available to Students ($ in millions)

	2008	2009	2010 Request
Pell Grants	$18,181.4	$25,329.0	$28,616.1
Supplemental Educational Opportunity Grants	958.8	958.8	958.8
Work-Study	1,170.8	1,417.3	1,170.8
Leveraging Educational Assistance Partnerships	161.6[1]	161.6[1]	161.6[1]
Academic Competitiveness Grants	372.0	554.0	608.0
SMART Grants	221.0	331.0	337.0
New Student Loans:			
Federal Family Education Loans	57,296.0	63,979.7	38,293.1
Federal Direct Loans	18,213.0	21,835.7	53,366.6
Perkins Loans	1,103.4	1,103.4	5,769.2
TEACH Grants	25.0	50.0	75.0
Subtotal, Student Loans	76,637.4[2]	86,968.7[2]	97,503.9[2]
Total	97,703.4[3]	115,745.3[3]	129,356.2[3]

[1] Reflects only the LEAP program's statutory State matching requirements.

[2] In addition, consolidation loans will total $15 billion in 2008, $17 billion in 2009, and $20 billion in 2010.

[3] Shows total aid generated by Department programs, including Federal Family Education Loan capital, Perkins Loan capital from institutional revolving funds, and institutional and State matching funds.

Number of Student Aid Awards
(in thousands)

	2008	2009	2010 Request
Pell Grants	6,116.0	7,022.0	7,590.0
Supplemental Educational Opportunity Grants	1,258.3	1,258.0	1,258.0
Work-Study	780.6	944.9	780.6
Leveraging Educational Assistance Partnerships	161.6[1]	161.6[1]	161.6[1]
Academic Competitiveness Grants	488.0	783.0	865.0
SMART Grants	78.0	127.0	131.0
New Student Loans: [2]			
Federal Family Education Loans	12,697.8	14,185.4	9,092.7
Federal Direct Loans	3,729.9	4,536.4	10,670.0
Perkins Loans	494.6	494.6	2,585.9
TEACH Grants	8.0	17.0	25.0
Total awards	25,812.6	29,530.0	33,160.0

[1] Reflects only the LEAP program's statutory State matching requirements.

[2] In addition, consolidation loans for existing borrowers will total 495,000 in 2008, 480,000 in 2009, and 531,000 in 2010.

Number of Postsecondary Students Aided by Department Programs

Unduplicated Count (in thousands)	11,587	13,284	14,174

Tax Benefits for Postsecondary Students and Their Families

In addition to the Department of Education's grant, loan, and work-study programs, significant support for postsecondary students and their families is available through tax credits and deductions for higher education expenses, including tuition and fees. For example, in 2010, students and families will save an estimated $3.9 billion under the new American Opportunity Tax Credit, which allows a partially refundable credit of up to $2,500 for tuition and fees during the first 2 years of postsecondary education; $2.5 billion under the Lifetime Learning tax credit, which allows a credit of up to $2,000 for undergraduate and graduate tuition and fees; and $1.3 billion in above-the-line deductions for interest paid on postsecondary student loans.

Pell Grants

	2008	2009	2010 Request
BA in millions			
Discretionary	$14,215	$17,288	—
Mandatory	2,041	2,090	$3,030
Proposed rescission	—	—	-3,030
Proposed new mandatory	—	—	28,654
Total	16,256	19,378	28,654
Recovery Act			
Discretionary funding	—	15,640	—
Mandatory funding	—	643	831
Proposed rescission	—	—	-831
Reclassification of unneeded balances:			
From discretionary	—	-7,523	—
To mandatory	—	7,523	—
Proposed rescission of balances	—	—	-7,523
Total	—	16,283	-7,523
Program costs ($ in millions)	18,212	25,364	28,654
Aid available ($ in millions)	18,181	25,329	28,616
Recipients (in thousands)	6,116	7,022	7,590
Maximum grant			
Discretionary	$4,241	$4,860	—
Mandatory add-on	490	490	—
Total	4,731	5,350	5,550
Average grant	2,970	3,611	3,770

The Pell Grant program helps ensure financial access to postsecondary education by providing grant aid to low- and middle-income undergraduate students. The program is the most need-focused of the Department's student aid programs, with individual awards varying according to the financial circumstances of students and their families.

The President's Budget proposes to establish a Pell Grant maximum of $5,550 for the 2010-11 academic year and then index the maximum grant to grow faster than inflation in future years (at

a rate equal to the consumer price index plus 1 percentage point). The Budget would also make Pell Grant funding mandatory, rather than discretionary, to eliminate uncertainty and end the practice of "backfilling" billions of dollars in Pell shortfalls. The Budget requests $28.7 billion in mandatory funding for FY 2010 to fully fund $28.6 billion in Pell Grants to nearly 7.6 million students. The request would consolidate Pell Grant funding by rescinding 2010 resources available under the College Cost Reduction and Access Act and the Recovery Act.

If enacted, the President's request would result in a 2-year increase (from the 2008-09 school year to the 2010-11 school year) of $10.4 billion, or 57 percent, in funding for Pell Grants. The number of recipients would rise by nearly 1.5 million, or 24 percent, over the same period.

Campus-Based Programs

The Supplemental Educational Opportunity Grant, Work-Study, and Perkins Loan programs are collectively referred to as the "campus-based" programs; grants in these programs are made directly to participating institutions, which have considerable flexibility to package awards to best meet the needs of their students. While the budget request proposes to restructure the Perkins Loan program to make loans directly to students, participating institutions would continue to have extensive flexibility in determining student eligibility and award levels.

Supplemental Educational Opportunity Grants

	2008	2009	2010 Request
BA in millions	$757	$757	$757
Aid available ($ in millions)	959	959	959
Recipients (in thousands)	1,258	1,258	1,258
Average award	$762	$762	$762

This program provides grant assistance of up to $4,000 per academic year to undergraduate students with demonstrated financial need. The $757 million request would leverage $201 million in institutional matching funds to make available a total of $958 million in grants to an estimated 1.3 million recipients.

Program funds are allocated to institutions according to a statutory formula and require a 25 percent institutional match. Awards are determined at the discretion of institutional financial aid administrators, although schools are required to give priority to Pell Grant recipients and students with the lowest expected family contributions.

Work-Study

	2008	2009	2010 Request
BA in millions	$980	$980	$980
Recovery Act ($ in millions)	—	200	—
Aid available ($ in millions)	1,171	1,417	1,171
Recipients (in thousands)	781	945	781
Average award	$1,500	$1,500	$1,500

The Work-Study program provides grants to participating institutions to pay up to 75 percent of the wages of eligible undergraduate and graduate students working part-time to help pay their college costs. The school or other eligible employer provides the balance of the student's wages. At the request level, nearly 800,000 students would receive a total of nearly $1.2 billion in award year 2010-11. Funds are allocated to institutions according to a statutory formula, and individual award amounts to students are determined at the discretion of institutional financial aid administrators. The Recovery Act appropriated $200 million for Work-Study, which was used to increase allocations for the 2009-2010 award year.

Perkins Loans

	2008	2009	2010 Request
BA in millions	$64	$67	-$498
Aid available ($ in millions)	1,103	1,103	5,769
Recipients (in thousands)	495	495	2,586
Average award	$2,231	$2,231	$2,231

The Perkins Loan program provides long-term, low-interest loans to undergraduate and graduate students with demonstrated financial need at roughly 1,700 institutions. Total assets of over $8 billion represent over 40 years of Federal capital contributions, institutional matching funds, repayments on previous loans, and Federal reimbursements for loan cancellations.

Perkins Loan borrowers pay no interest during in-school, grace, and deferment periods and are charged 5 percent interest during the principal repayment period. Annual borrowing limits are $5,500 for undergraduate students and $8,000 for graduate and professional students.

The request proposes an expanded, modernized Perkins Loan program with $6 billion a year in new loan volume—six times the current Perkins volume--reaching up to 2.6 million students at as many as 2,700 additional postsecondary education institutions. Loan volume will be allocated among degree-granting institutions using a method to be determined in consultation with Congress. The Administration intends for this new formula to encourage colleges to control costs and offer need-based aid to prevent excessive indebtedness. Instead of being serviced by the colleges, the loans would be serviced by the Department of Education along with other Federal loans. The loans would have the same low 5 percent interest rate and allowed loan amounts (both undergraduate and graduate) as in the current Perkins program. Institutional loan forgiveness costs on existing loans, currently supported by discretionary appropriations, would be fully funded from the Federal share of Perkins Loan collections. To make the loans available to more students and help finance the expanded Pell Grant, interest on the loans would accrue while students are in school. Overall, this proposal will save $3.2 billion over 5 years.

Leveraging Educational Assistance Partnerships

	2008	2009	2010 Request
BA in millions	$63.9	$63.9	$63.9
Aid available ($ in millions)	162.0	162.0	162.0
Recipients (in thousands)	162	162	162
Average award	$1,000	$1,000	$1,000

The Leveraging Educational Assistance Partnership (LEAP) program encourages State investment in need-based grant and work-study assistance to eligible postsecondary students. Federal contributions leverage a minimum dollar-for-dollar match from the State. Appropriations in excess of $30 million are reserved for the new Grants for Access and Persistence (GAP), created by Congress in 2008 to replace the Special LEAP program. During a 2-year transition period beginning with the 2009-2010 award year, States can choose to participate in either Special LEAP or GAP; for 2009-2010, all States have chosen to participate in Special LEAP. Under GAP, States may expand partnerships with institutions, private and philanthropic organizations, and community groups to encourage low-income students to attend and complete a higher education; provide need-based grants to encourage access and persistence; provide early notification to low-income students of their eligibility for need-based aid; and encourage participation in early intervention, mentoring, and outreach programs. The Federal share of these new activities cannot exceed 66.66 percent.

Academic Competitiveness Grants/SMART Grants

	2008	2009	2010 Request
BA in millions	$395.0	$73.0	$1,386.0
Rescission of unneeded balances	525.0	—	—
Postponement of authority to 2010	—	887.0	—
Cancellation of unneeded balances	—	—	511.0
Academic Competitiveness Grants			
Recipients	488,000	783,000	865,000
Aid available to students ($ in 000s)	$372,000	$554,000	$608,000
Maximum grant			
First-year student	$750	$750	$750
Second-year student	$1,300	$1,300	$1,300
Average grant	$768	$787	$762
SMART Grants			
Recipients	78,000	127,000	131,000
Aid available to students ($ in 000s)	$221,000	$331,000	$337,000
Maximum grant	$4,000	$4,000	$4,000
Average grant	$3,194	$3,291	$3,176

These programs award need-based Academic Competitiveness Grants (ACG) to first- and second-year undergraduates who complete a rigorous high school curriculum, and National Science and Mathematics Access to Retain Talent (SMART) Grants to third- and fourth-year undergraduates majoring in physical, life, or computer sciences, mathematics, technology, engineering, or a critical foreign language. All funding is mandatory, so annual discretionary appropriations are not required.

Academic Competitiveness Grants are awarded to students who are eligible for a Federal Pell Grant. First-year applicants, who may receive up to $750, also must be first-time undergraduates who have completed a rigorous secondary school program and are enrolled or accepted for enrollment in a 2- or 4-year degree-granting institution. Second-year ACG applicants qualify for an award of up to $1,300 if they have completed a rigorous program and maintained a cumulative grade point average of at least 3.0 during their first year as an undergraduate.

SMART Grant applicants must maintain a cumulative GPA of at least 3.0 in the coursework required by their major to qualify for up to $4,000 for their third and fourth years of undergraduate study. SMART Grants, in combination with the Federal Pell Grant and other student financial assistance, may not exceed the student's cost of attendance.

Participation trends during the first 3 years of these programs indicate future funding will substantially exceed the amounts needed to support anticipated grant awards. Congress rescinded $525 million in unneeded ACG/SMART balances in 2008 and delayed the availability of $887 million from 2009 to 2010. The Administration proposes to cancel an additional $551 million in unneeded balances in 2010. The ACG/SMART programs expire after 2010.

TEACH Grants

	2008	2009	2010 Request
BA in millions	$7.0	-$2.0[1]	-$2.0[1]
Recipients	8,000	17,000	25,000
Aid available to students ($ in 000s)	$25,000	$50,000	$75,000
Maximum grant	$4,000	$4,000	$4,000
Average grant	3,125	$2,941	$3,000

[1]Negative numbers indicate projected revenue from loan repayments exceed projected costs.

The TEACH Grant program, which began operations on July 1, 2008, awards annual grants of up to $4,000 to eligible undergraduate and graduate students who, within 8 years of graduation, agree to serve as a full-time mathematics, science, foreign language, bilingual education or other English language program, special education, or reading teacher at a high-need school for not less than 4 years. For students who do not fulfill this service requirement, grants are converted to Direct Unsubsidized Stafford Loans, with interest accrued from the date the grants were awarded.

For budget and financial management purposes, this program will be operated as a loan program with 100 percent forgiveness of outstanding principal and interest upon completion of a student’s service requirement. The Administration currently estimates approximately 80 percent of participating students will not complete the required service and thus will have their grants

converted to Direct Unsubsidized Stafford Loans. Consistent with the requirements of the Credit Reform Act of 1990, budget authority for this program reflects the estimated net present value of all future non-administrative Federal costs associated with awards in a given fiscal year.

College Access and Completion Fund

	2008	2009	2010 Request
BA in millions	—	—	$500.0

The request would invest $500 million in 2010 and $2.5 billion over 5 years in this initiative to build a Federal-State-local partnership to improve college success and completion, particularly for students from disadvantaged backgrounds. This time-limited, mandatory program would make flexible grants for States and national entities to undertake innovative programs designed to increase postsecondary enrollment and completion, with an emphasis on efforts that produce data for evaluation and improvement. This effort will expand the knowledge base about what works in increasing college enrollment and graduation and disseminate these best practices. States would be able to use a portion of the funds to continue college outreach and information activities now supported through FFEL program subsidies.

Federal Family Education Loans and Direct Loans
(in millions)

	2008	2009	2010 Request
Federal Family Education Loans			
New Loan Subsidies (BA)	-$503.0[1]	-$5,980.6[1]	-$2,729.1[1]
Net Modification of Existing Loans	-2,464.3[2]	-2,640.4[2]	—
Net Re-estimate of Prior Loans	990.0[3]	-15,952.7[3]	—
Total, FFEL Program BA.....	-1,977.4	-24,573.8	-2,729.1
Direct Loans			
New Loan Subsidy (BA).....	-652.5[4]	-6,712.5[4]	-13,847.3[4]
Net Modification of Existing Loans.....	4,143.3[2]	—	—
Net Re-estimate of Prior Loans.....	584.5[3]	119.4	—
Total, New Budget Authority	4,075.3	-6,593.4	-13,847.3
Total, Student Loans (BA)	2,097.9	-31,167.2	-16,576.4

[1] Total includes amount for Consolidation Loans, but does not include the Liquidating Account, which deals with costs associated with loans made prior to 1992.

[2] Under Credit Reform, costs or savings related to the impact of policy changes on existing loans are reflected in the current year. Amounts for 2008 reflect the impact on existing loans of the College Cost Reduction and Access Act; amounts for 2009 reflect the impact of the Ensuring Continued Access to Student Loans Act.

[3] Under Credit Reform, the subsidy amounts needed for active loan cohorts are re-estimated annually in both Direct Loans and FFEL to account for changes in long-term projections. In 2008 and 2009, Direct Loans re-estimates primarily reflect revised interest rate assumptions, and in 2008, revised assumptions related to income-contingent repayment. FFEL re-estimates are driven primarily by updated interest rate, deferment and forbearance, enter repayment, and teacher loan forgiveness assumptions, with interest rates by far the largest single factor. Re-estimates and modifications reflect the impact of changes on outstanding portfolios of over $440 billion for FFEL and nearly $120 billion for Direct Loans.

[4] Total includes amount for Consolidation Loans.

New loan volume (in millions)

	2008	2009	2010 Request
Federal Family Education Loans.....	$57,296	$63,980	$38,293
Direct Loans.....	18,213	21,836	53,367
Total	75,509[1]	85,816[1]	91,660[1]

Number of new loans (in thousands)

Federal Family Education Loans.....	12,698	14,185	9,093
Direct Loans.....	3,730	4,536	10,670
Total	16,428[1]	18,721[1]	19,763[1]

[1] In addition, Consolidation Loans for existing borrowers will total $37 billion and 495,000 loans in 2008, $17 billion and 480,000 loans in 2009, and $20 billion and 531,000 loans in 2010.

The Department of Education operates two major student loan programs: the Federal Family Education Loan (FFEL) program and the William D. Ford Federal Direct Loan (Direct Loan) program. The FFEL program makes loan capital available to students and their families through private lenders. State and private nonprofit guaranty agencies administer the Federal guarantee protecting FFEL lenders against losses related to borrower default. These agencies also collect on defaulted loans and provide other services to lenders. The FFEL program accounts for about 75 percent of new student loan volume.

Under the Direct Loan program, the Federal Government uses Treasury funds to provide loan capital directly to schools, which then disburse loan funds to students. The Direct Loan program began operation in academic year 1994-95 and now accounts for about 25 percent of new student loan volume.

Basic Loan Program Components

Both FFEL and Direct Loans feature four types of loans with similar fees and maximum borrowing amounts:

- Stafford Loans are subsidized, low-interest loans based on financial need. The Federal Government pays the interest while the student is in school and during certain grace and deferment periods. For undergraduate loans made on or after July 1, 2008, the interest rate is fixed at 6.0 percent. Rates for undergraduates drop each subsequent July 1 through 2011, when rates would be 3.4 percent. Rates would return to 6.8 percent beginning July 1, 2012. The interest rate for loans to graduate students is 6.8 percent in all years.

- Unsubsidized Stafford Loans have a fixed interest rate of 6.8 percent, but the Federal Government does not pay interest for the student during in-school, grace, and deferment periods.

- PLUS Loans are available to parents of dependent undergraduate students at slightly higher rates than Stafford or Unsubsidized Stafford Loans and the Federal Government does not

pay interest during in-school, grace, and deferment periods. Graduate and professional students also are eligible for PLUS loans.

- Consolidation Loans allow borrowers with multiple student loans who meet certain criteria to combine their obligations and extend their repayment schedules. The rate for both FFEL and Direct Consolidation Loans is based on the weighted average of loans consolidated rounded up to the nearest 1/8th of 1 percent. The resulting rate for the consolidated loan is then fixed for the life of the loan.

Ensuring Continued Access to Student Loans

Due to significant disruptions in the credit markets, in early 2008, FFEL lenders began expressing concerns that there would be insufficient capital to make FFEL loans to all eligible recipients for the 2008-2009 academic year. In response, Congress enacted the Ensuring Continued Access to Student Loans Act (ECASLA), which provided the Department of Education with authority to purchase student loans. Using this authority, the Department established several programs intended to ensure the availability of student loans. Through the Loan Participation Interest program, the Department purchased a 100-percent interest in any eligible Federal student loan originated during the academic year by a FFEL lender; in other words, the Department provided all of the funds for the loan. On or before September 30, 2009, the lender can either purchase back from the Department its interest in a loan (paying the Department a yield of the Commercial Paper rate plus 50 basis points) or sell the entire loan to the Department in return for a fixed amount to cover the lender's expenses (such as origination and servicing). Between this program and the Direct Loan program, over 60 percent of Federal student loan volume in the 2008-2009 academic year will be financed through capital provided by the Department of Education. The Department also established a Loan Purchase program committing to purchase any eligible loans originated by a FFEL lender during the academic year for face value plus a fixed amount to cover expenses.

Given the continued concerns around capital liquidity, the ECASLA authority was extended for the 2009-2010 academic year. The Administration has announced it will replicate the Loan Participation and Loan Purchase programs. In addition, the Department will support an Asset-Backed Commercial Paper Conduit. A conduit facilitates financial transactions similar to those involved in a typical securitization: investors purchase commercial paper (backed by student loan assets) which mature and are reissued. Interest on the commercial paper is paid from student loan repayments and any net gain on the reissuance. Though the hope is the conduit will provide liquidity to FFEL lenders without Federal intervention, the Department, using its ECASLA authority, will serve as a buyer-of-last-resort in cases when the conduit is unable to refinance maturing commercial paper.

Fiscal Year 2010 Budget Request

The Administration asks Congress to reform the Federal postsecondary student loan programs by originating all new loans using Federal capital, eliminating unnecessary subsidies to private financial institutions, and ensuring the continued availability of Federal loans for students. The request would take advantage of low-cost and stable sources of capital available under Direct Loans so that students are ensured access to loans and provided high-quality servicing by using competitive, private-sector providers to process loans and payments. Moreover, this proposal would save $21 billion over 5 years, savings that would be reinvested in student aid through the expanded Pell Grant program.

E. HIGHER EDUCATION PROGRAMS

Overview

The Administration's request for fiscal year 2010 includes $2 billion for Higher Education Programs. This request complements the Administration's proposals for elementary and secondary education by helping to ensure the availability of quality postsecondary educational opportunities.

The request would provide $454 million in discretionary funding for the Aid for Institutional Development programs, an increase of $31.6 million, or 7.5 percent, over the 2009 level. The request for Title III demonstrates the Administration's commitment to assisting institutions that enroll a large proportion of minority and disadvantaged students by providing funds to improve academic programs and administrative and fundraising capabilities. The request provides a 5 percent increase over the 2009 level for virtually all of the Title III discretionary grant programs and first-time discretionary funding for two newly authorized programs. The request also provides a 5 percent increase over the 2009 level for the Developing Hispanic-serving Institutions program to improve and expand their capacity to serve Hispanic and low-income students.

The request provides $118.9 million for the International Education and Foreign Language Studies programs to help meet the Nation's security and economic needs through the development of expertise in foreign languages and area and international studies. Dramatic changes in the world's geopolitical and economic landscapes, the events surrounding the September 2001 terrorist attacks on the United States, and the war on terrorism underscore the importance of maintaining and expanding American understanding of other peoples and their languages.

The request also would provide level funding of $905.1 million in combined discretionary and mandatory appropriations to maintain college preparation and college student support services for participants in the Federal TRIO Programs, as well as $313.2 million for an estimated 765,000 middle and high school students preparing for college through Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). The Budget would provide $47.4 million for the Fund for the Improvement of Postsecondary Education, including funds for a new initiative designed to improve postsecondary education at community colleges and $1 million for the Erma Byrd Scholarship program. The budget also would provide $81.4 million for merit- and need-based scholarships and fellowships to postsecondary students under the Byrd Honors Scholarships, Javits Fellowships, and Graduate Assistance in Areas of National Need (GAANN) programs.

Title III: Aid for Institutional Development
(BA in millions)

	2008	2009	2010 Request
Strengthening Institutions (Part A)	$78.1	$80.0	$84.0
Strengthening Tribally Controlled Colleges and Universities			
(Part A)	23.2	23.2	24.3
(mandatory)	30.0[1]	30.0[1]	—
Strengthening Alaska Native and Native Hawaiian-serving Institutions			
(Part A)	11.6	11.6	12.2
(mandatory)	15.0[1]	15.0[1]	—
Strengthening Historically Black Colleges and Universities			
(Part B)	238.1	238.1	250.0
(mandatory)	85.0[1]	85.0[1]	—
Strengthening Historically Black Graduate Institutions (Part B)	56.9	58.5	61.4
Master's Degree Programs at HBCUs and PBIs (mandatory)	—	11.5[2]	11.5[2]
Strengthening Predominantly Black Institutions			
(Part A)	—	—	7.9
(mandatory)	15.0[1]	15.0[1]	—
Strengthening Asian American and Native American Pacific Islander-serving Institutions			
(Part A)	—	2.5	2.6
(mandatory)	5.0[1]	5.0[1]	—
Strengthening Native American-serving nontribal institutions			
(Part A)	—	—	2.6
(mandatory)	5.0[1]	5.0[1]	—
Minority Science and Engineering Improvement (Part E)	8.6	8.6	9.0
Total	571.5	588.9	465.5

[1] Mandatory funds transferred from Title IV, Part J, Section 499A of the Higher Education Act of 1965, as amended (HEA), to Title III, Part F, Section 371 of the HEA. These funds are not part of the fiscal year 2010 budget request.

[2] Mandatory appropriations enacted on August 14, 2008 in P.L. 110-315, Higher Education Opportunity Act, which reauthorized the HEA. Mandatory funds provided under Title VIII, Part AA, Section 897 of the HEA. These funds are not part of the fiscal year 2010 budget request.

The request for Title III maintains support for institutions that serve large percentages of minority and disadvantaged students. Title III funding, which is awarded both competitively and by a formula that directs aid to specified institutions, helps provide equal educational opportunity and strong academic programs for these students and help achieve greater financial stability for the

institutions that serve them. The 2010 request proposes a 5 percent increase over the fiscal year 2009 level for all Title III discretionary grant programs that were funded in fiscal year 2009.

The 2010 request also includes discretionary funding for a number of new programs established under the Higher Education Opportunity Act, including Native American-serving nontribal institutions and Predominantly Black institutions.

Aid for Hispanic-serving Institutions
(BA in millions)

	2008	2009	2010 Request
Developing Hispanic-serving Institutions	$93.3	$93.3	$97.9
Developing HSI STEM and Articulation programs (mandatory).....	100.0[1]	100.0[1]	—
Promoting Postbaccalaureate Opportunities for Hispanic Americans (mandatory).....	—	11.5[2]	11.5[2]
Total	193.3	204.8	109.4

[1] Mandatory funds transferred from Title IV, Part J, Section 499A of the Higher Education Act of 1965, as amended (HEA), to Title III, Part F, Section 371 of the HEA. These funds are not part of the 2010 budget request.
[2] Mandatory appropriations enacted on August 14, 2008 in P.L. 110-315, Higher Education Opportunity Act, which reauthorized the HEA. Mandatory funds provided under Title VIII, Part AA, Section 898 of the HEA. These funds are not part of the fiscal year 2010 budget request.

The Developing Hispanic-serving Institutions program funds competitive grants to expand and enhance the academic quality, institutional management, fiscal stability, and self-sufficiency of colleges and universities that enroll large percentages of Hispanic students.

The HSI STEM and Articulation Program was designed to increase the number of Hispanic and other low income students earning degrees in fields of science, technology, engineering, and mathematics (STEM) and to develop model transfer and articulation agreements between the 2-year and 4-year HSIs in such fields. Mandatory funding was provided only for fiscal years 2008 and 2009 for this program.

The Promoting Postbaccalaureate Opportunities for Hispanic Americans program provides mandatory funding to eligible HSIs that offer a postbaccalaureate certificate or postbaccalaureate degree-granting program. The program is designed to help Hispanic Americans gain entry into and succeed in graduate study, a level of education in which they are underrepresented. Mandatory funding is provided for 5 years beginning in fiscal year 2009.

International Education and Foreign Language Studies (IEFLS)
(BA in millions)

	2008	2009	2010 Request
Domestic programs.....	$93.9	$102.3	$102.3
Overseas programs	13.4	14.7	14.7
Institute for International Public Policy.....	1.7	1.8	1.8
Total	109.0	118.9	118.9

The 14 International Education and Foreign Language Studies programs support comprehensive language and area study centers within the United States, research and curriculum development, opportunities for American scholars to study abroad, and activities to increase the number of underrepresented minorities in international service. In addition to promoting general understanding of the peoples of other countries, the Department's international programs also serve important economic, diplomatic, defense, and other national security interests. The 2010 request would fund approximately 463 grants to institutions of higher education, directly support over 1,005 individuals through fellowships and projects, and support the participation of more than 100 underrepresented minority students in international service programs.

Fund for the Improvement of Postsecondary Education (FIPSE)
(BA in millions)

	2008	2009	2010 Request
Comprehensive Program	$13.9	$30.6	$34.8
International Consortia	7.3	10.1	10.8
Earmarks	98.7	91.2	—
Erma Byrd Scholarships	—	1.0	1.0
Other	0.4	0.8	0.8
Total	120.3	133.7	47.4

FIPSE awards competitive grants to support exemplary, locally developed projects that are models for innovative reform and improvement in postsecondary education. The 2010 request represents a decrease of $86.3 million because of the elimination of funding for earmarks, but an increase of $5 million for competitive grants.

Funding for the Comprehensive program would support projects to improve postsecondary education at community colleges by developing or expanding skills integration models; projects to facilitate transfer of credits, especially across States; and dual-enrollment programs. The request also includes $1 million for Erma Byrd Scholarships for individuals pursuing a course of study in industrial health and safety. Funding for the International Consortia programs would support 145 academic partnerships between U.S. institutions of higher education and institutions in Canada, Mexico, Russia, the European Community, and Brazil to provide students with increased opportunities to study abroad and increase cooperation and collaboration between institutions in these countries.

Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrators in Educating Students with Disabilities

	2008	2009	2010 Request
BA in millions	$6.8	$6.8	$6.8

This competitive grant program supports model projects that enhance the quality of higher education for students with disabilities. Grants are awarded to institutions of higher education to provide technical assistance and professional development for faculty and administrators. The 2010 request would support 23 non-competing continuation grants.

Tribally Controlled Postsecondary Career and Technical Institutions

	2008	2009	2010 Request
BA in millions	$7.5	$7.8	$7.8

The program provides grants to tribally controlled postsecondary career and technical institutions to provide career and technical education to Indian students. The request would fund instructional and student support services, as well as institutional support, at the United Tribes Technical College and Navajo Technical College, the only institutions that meet the eligibility requirements for this program.

Federal TRIO Programs
(BA in millions)

	2008	2009	2010 Request
Talent Search	$142.7	$142.7	$142.7
Upward Bound	258.9	258.2	258.2
Veterans Upward Bound	11.9	14.0	14.0
Upward Bound Math-Science	31.2	35.0	35.0
Educational Opportunity Centers	47.1	46.8	46.8
Student Support Services	284.4	297.1	295.5
McNair Postbaccalaureate Achievement	44.8	47.2	47.2
Staff Training	3.4	3.4	3.4
Evaluation	0.4	—	1.5
Administration/Peer Review	3.4	3.7	3.8
Upward Bound (mandatory)	57.0[1]	57.0[1]	57.0[1]
Total	885.2	905.1	905.1

[1] Mandatory funds made available by section 402C(g) of the Higher Education Act of 1965, as amended. These funds are not part of the fiscal year 2010 budget request.

The request for 2010 would maintain level funding for these college preparation and student support programs, which would provide funding for over 2,700 projects serving middle school, high school, and college students and adults. An additional $57 million in mandatory funding will provide support for another 185 Upward Bound projects. The request also includes funding for Staff Training grants, evaluation, and administrative support for the TRIO programs.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)
(BA in millions)

	2008	2009	2010 Request
BA in millions	$303.4	$313.2	$313.2

GEAR UP provides funds to States and partnerships for early college preparation and awareness activities to help low-income elementary and secondary school students prepare for and pursue postsecondary education. Several features of GEAR UP, including targeting entire

grades of students, partnering with local organizations and businesses, and matching local contributions, allow projects to serve increasing numbers of students at the same level of Federal support. The request maintains funding at the 2009 level and would serve approximately 765,000 middle and high school students in fiscal year 2010.

Scholarships and Fellowships
(BA in millions)

	2008	2009	2010 Request
Byrd Honors Scholarships	$40.3	$40.6	$40.6
Javits Fellowships	9.5	9.7	9.7
Graduate Assistance in Areas of National Need (GAANN)	29.5	31.0	31.0
Thurgood Marshall Legal Education Opportunity	2.9	3.0	3.0
B.J. Stupak Olympic Scholarships	1.0	1.0	1.0

Bryd Honors Scholarships is a State formula grant program that provides merit-based scholarships to high school students who have demonstrated outstanding academic achievement and who show promise of continued academic achievement. At the requested level, the funds would provide scholarships to 27,094 students. Scholarships of $1,500 per year are awarded for up to 4 years for study at any institution of higher education.

Javits Fellowships provide up to 4 years of competitively awarded support to students of superior ability and high financial need who are pursuing doctoral degrees, or the highest terminal degree, in the arts, humanities, and social sciences. The request would support 218 fellowships in 2010.

GAANN provides fellowships, through competitive grants to postsecondary institutions, to graduate students with superior ability and high financial need studying in areas of national need. Participating graduate schools must provide assurances that they will seek talented students from traditionally underrepresented backgrounds. The 2010 request would provide support for 700 fellowships.

Thurgood Marshall Legal Educational Opportunity program provides low-income, minority, or disadvantaged secondary school and college students with the information, preparation, and financial assistance needed to gain access to and complete law school study and admission to law practice. The 2010 request would provide support, including financial assistance, to over 160 Thurgood Marshall Fellows and allow over 1,000 participants to attend mid-year seminars and other educational activities.

B.J. Stupak Olympic Scholarships provide financial assistance to athletes who are training at the United States Olympic Education Center or one of the United States Olympic Training Centers and who are pursuing a postsecondary education at an institution of higher education. At the requested level, the funds would provide scholarships to 90 student athletes.

Child Care Access Means Parents in School

	2008	2009	2010 Request
BA in millions	$15.3	$16.0	$16.0

This competitive grant program supports the participation of low-income parents in postsecondary education through campus-based childcare services. Grants made to institutions of higher education must be used to supplement childcare services or start a new program, not to supplant funds for current childcare services. The program gives priority to institutions that leverage local or institutional resources and employ a sliding fee scale. The 2010 request would fund 55 new and 119 existing projects.

Teachers for a Competitive Tomorrow

	2008	2009	2010 Request
Baccalaureate STEM and foreign language teacher training	$1.0	$1.1	$1.1
Master's STEM and foreign language teacher training	1.0	1.1	1.1

Baccalaureate STEM (science, technology, engineering, and mathematics) and foreign language teacher training provides competitive grants to enable partnerships to develop and implement programs that provide courses of study in STEM or critical foreign language subjects that are integrated with teacher education and would lead to a baccalaureate degree in the primary subject matter with a concurrent teacher certification. The 2010 request would continue funding for 5 existing grants.

Master's STEM and foreign language teacher training provides competitive grants to enable partnerships to develop and implement programs that provide 2- or 3-year part-time master's degree programs in STEM or critical foreign language subject-matter education for teachers in order to enhance the teacher's content knowledge and teaching skills; or programs for professionals in STEM or critical foreign language subjects that lead to a 1-year master's degree in teaching that results in teacher certification. The 2010 request would provide funding for 5 new grants.

GPRA Data/HEA Program Evaluation

	2008	2009	2010 Request
BA in millions	$0.6	$0.6	$0.6

The request would fund the continuation of contracts for program evaluations and data collections to measure the performance of Higher Education Act programs. Data and information from these activities are used to assess program effectiveness, make program improvements, comply with the reporting requirements of GPRA, and inform budgetary decisions.

Underground Railroad Program

	2008	2009	2010 Request
BA in millions	$1.9	$1.9	$1.9

This program provides discretionary grants to one or more non-profit educational organizations that house, display, interpret, and communicate information regarding artifacts and other materials relating to the history of the Underground Railroad, including the lessons to be drawn from such history. The 2010 request would support 2 new grants.

Academic Facilities
(BA in millions)

	2008	2009	2010 Request
HBCU Capital Financing Program	$0.2	$10.4	$20.6
CHAFL Federal Administration	0.5	0.5	0.5

These programs support the construction, reconstruction, and renovation of academic facilities at institutions of higher education. The request for the HBCU Capital Financing Program would support the management and servicing of loan guarantees on previously issued loans. The requested amount of $20.2 million in loan subsidy would allow the program to guarantee $178.2 million in loans in 2010. Funds also would be used to continue technical assistance services to help HBCUs to increase their fiscal stability and improve their access to capital markets.

Funding for CHAFL Federal Administration is used solely to manage and service existing portfolios of facilities loans and grants made in prior years.

Howard University
(BA in millions)

	2008	2009	2010 Request
Howard University Hospital.....	$28.9	$28.9	$28.9
General Support.....	204.3	206.0	206.0
Total	233.2	234.9	234.9

The 2010 request would maintain support for Howard University's academic programs, research programs, construction activities, and the Howard University Hospital. The request reflects the importance of maintaining and improving the quality and financial strength of an institution that has played a historic role in providing access to postsecondary educational opportunities for students from traditionally underrepresented backgrounds, especially African-Americans. The request includes $3.6 million for Howard University's endowment. The direct Federal appropriation accounts for approximately 50 percent of Howard University's operating costs.

F. INSTITUTE OF EDUCATION SCIENCES

Overview

The Institute of Education Sciences (IES) supports sustained programs of research, evaluation, and statistics to provide solutions to the problems and challenges faced by schools and learners. Investment in research and statistics activities is critical in order to identify effective instructional and program practices, track student achievement, and measure the impact of educational reform. Through its four centers—the National Center for Education Research, the National Center for Education Statistics, the National Center for Education Evaluation and Regional Assistance, and the National Center for Special Education Research—IES ensures that the Federal investment in education research, statistics, and evaluation is well-managed and relevant to the needs of educators and policymakers.

For 2010, the Administration is seeking $689.3 million for IES activities, an increase of $72.1 million over the 2009 level. This request would increase funding for programs of research, development, and dissemination in areas where our knowledge of learning and instruction is inadequate, including support for new research initiatives focused on how students learn to read for understanding and to help identify and scale up promising educational innovations.

The request also would maintain the Administration's commitment to supporting high quality statistics and assessment programs, including a new longitudinal study of teachers and a new international assessment of adult competencies; implementation of the 2010 national U.S. history, civics, and geography assessments under the National Assessment of Educational Progress; and assistance to help States improve the quality of longitudinal student data systems. Finally, the request would provide continued funding for an evaluation of the Regional Educational Laboratories (REL) as well as the final year of the REL contracts.

Research, Development, and Dissemination

	2008	2009	2010 Request
BA in millions	$159.7	$167.2	$224.2

The request includes an increase of $57 million, or 34 percent, to would support education research, development, and dissemination sponsored by IES. A portion of the increase would fund a new reading initiative that will rapidly develop, test, and disseminate innovative interventions to improve reading comprehension. The increase also would support the study, improvement, and scaling up of promising educational innovations that focus on improving student learning and achievement. In addition, the request would fund ongoing programs of research in reading and writing, mathematics, science, cognition, teacher quality, high school reform, postsecondary education, and education finance and leadership.

The request for dissemination includes funds for the *What Works Clearinghouse*, which provides evidence-based information for policymakers, researchers, and educators on promising approaches and interventions, the National Library of Education, and the Education Research Information Clearinghouse (ERIC).

Statistics

	2008	2009	2010 Request
BA in millions	$88.4	$98.5	$108.5

This request would support the collection, analysis, and dissemination of education-related statistics in response both to legislative requirements and to the particular needs of data providers, data users, and educational researchers. The Department's statistics programs—operated primarily through competitively awarded contracts administered by the National Center for Education Statistics (NCES)—provide general statistics about trends in education, collect data to monitor reform and measure educational progress, and inform the IES research agenda.

The request includes funding for a new longitudinal study of teachers, technical assistance to States developing longitudinal data systems, a new international assessment of adult competencies, and a national survey to examine parent and family involvement in education and the participation of preschool children in non-parental education and care arrangements.

Regional Educational Laboratories

	2008	2009	2010 Request
BA in millions	$65.6	$67.6	$70.6

The increase would fund the final year of 5-year contracts for a network of 10 regional laboratories that provide expert advice, including training and technical assistance, to help States and districts apply proven research findings in their school improvement efforts. The increase also would be used to support the second year of a statutorily required evaluation of the program.

Assessment

	2008	2009	2010 Request
BA in millions	$104.1	$138.8	$138.8

The request would fund the ongoing National Assessment of Educational Progress (NAEP) and the National Assessment Governing Board. NAEP measures and reports on the status of and trends in student learning over time, on a subject-by-subject basis, and makes objective information on student performance available to policymakers, educators, parents, and others. NAEP is the only nationally representative and continuing assessment of what American students know and can do, and has become a key measure of our Nation's educational performance. NAEP activities are conducted through competitively awarded contracts.

At the request level, the Department would conduct 2010 national U.S. history, civics, and geography assessments at grades 4, 8, and 12, and a writing pilot test at grades 4, 8, and 12. The request also would fund preparations for 2011 assessments in reading, math, and writing at grades 4 and 8 and a national grade 12 writing assessment; a 2012 grade 12 economics

assessment, a technology literacy study, and the 2012 long-term trend assessment. Funds also would be used for continued analysis and reporting of assessments conducted prior to 2010.

Research in Special Education

	2008	2009	2010 Request
BA in millions	$70.6	$70.6	$70.6

This program supports discretionary grants and contracts for research to address gaps in scientific knowledge in order to improve special education and early intervention services for infants, toddlers, and children with disabilities. The request would support continuation and new awards under ongoing programs of research, including research intended to improve the developmental outcomes and school readiness of infants, toddlers, and young children with disabilities; to improve educational outcomes in core subject areas for children with disabilities; and to improve social and behavioral outcomes.

Statewide Data Systems

	2008	2009	2010 Request
BA in millions	$48.3	$65.0	$65.0

This program supports competitive awards to State educational agencies to foster the design, development, and implementation of longitudinal data systems that would enable States to use individual student data to enhance the provision of education and close achievement gaps. Funding in 2010 will support continuation costs for grants awarded in 2009. The request also would fund improved data coordination and quality as well as technical assistance to enable better use of the information to improve educational outcomes. An additional $250 million in Recovery Act funds for this program will help develop systems that provide usable information from early childhood to participation in higher education and the workforce.

Special Education Studies and Evaluations

	2008	2009	2010 Request
BA in millions	$9.5	$9.5	$11.5

This program supports competitive grants, contracts, and cooperative agreements to assess the implementation of the Individuals with Disabilities Education Act (IDEA) and the effectiveness of State and local efforts to provide special education and early intervention programs and services to infants, toddlers, and children with disabilities. The request would fund a new study of transition and learning outcomes for students with disabilities as well as the required national assessment of activities supported with Federal special education funds and other ongoing studies and evaluations of special education.

IV. PROGRAMS PROPOSED FOR ELIMINATION

The following table shows the programs proposed for elimination or consolidation in the President's 2010 budget request. The 2010 request reflects the Administration's commitment to eliminating programs that national evaluations indicate are ineffective or, duplicative of other authorities, or are poorly structured to accomplish their objectives.

Termination of these 12 programs will free up $550.7 million—based on 2009 levels—for education programs that will help close the achievement gap, accelerate the learning of those that are the furthest behind, and promote effective teaching and attract the best and brightest into the profession.

Following the table is a brief summary of each program and the rationale for its elimination.

Program Eliminations by Funding Level

Program (2009 BA in millions)	
Safe and Drug-Free Schools and Communities State Grants	$294.8
Even Start	66.5
College Access Challenge Grant Program	66.0
Mentoring	48.5
Civic Education	33.5
Character Education	11.9
Ready to Teach	10.7
Javits Gifted and Talented Education	7.5
National Institute for Literacy	6.5
Academies for American History and Civics	1.9
Close Up Fellowships	1.9
Foundations for Learning	1.0
Total	$550.7

Program Descriptions

(Dollars reflect 2009 BA in millions)

Academies for American History and Civics $1.9

This program, which makes 3 or 4 awards annually to support workshops for teachers and students in the areas of history and civics, is too small to have an impact on history and civics achievement nationally. The Administration proposes to replace it (along with Civic Education and Close Up Fellowships) with a competition under the Fund for the Improvement of Education.

Character Education $11.9

Provides funds for State and local educational agencies to design and implement programs to improve elementary and secondary education by teaching students about caring, civic virtue and citizenship, justice and fairness, respect, responsibility, trustworthiness, and giving. Character education activities would be supported instead by a new initiative under the Safe and Drug-Free Schools and Communities National Activities program that would support similar goals by promoting strategies to change school culture and climate.

Program Eliminations, continued (2009 BA in millions)

Civic Education $33.5

Provides a non-competitive award to the Center for Civic Education to conduct *We the People*, a program to improve the quality of civics and government education. Also makes non-competitive and competitive awards for the Cooperative Education Exchange, a program to improve civic and economic education through exchange programs. This non-competitive award would be replaced by a broader grant competition under the Fund for the Improvement of Education.

Close Up Fellowships $1.9

Provides a non-competitive award to the Close Up Foundation to support fellowships to low-income students and teachers participating in Close Up visits to Washington, DC and other activities. Peer organizations provide scholarships to participants without Federal assistance, and the organization's successful private fundraising indicates that it can continue its activities without a Federal appropriation. This non-competitive award would be replaced by a broader grant competition under the Fund for the Improvement of Education.

College Access Challenge Grant Program $66.0

Provides formula grants to States to foster partnerships among Federal, State, and local government entities and philanthropic organizations through matching challenge grants aimed at increasing the number of underrepresented students who enter and remain in postsecondary education. This program would be replaced by the much larger and better structured College Access and Completion Fund, for which the Administration is requesting $2.5 billion over 5 years to focus on the twin goals of college access and completion.

Even Start $66.5

Supports projects to improve educational opportunities for children and their parents in low-income areas by integrating early childhood education, adult education, and parenting education into "family literacy" programs. However, three separate national evaluations of the program reached the same conclusion: children and adults participating in Even Start generally make no greater literacy gains than non-participants. The Administration believes that the resources currently used for Even Start would be better directed to more promising or effective early childhood programs, including the proposed Early Learning Challenge Fund (a component of the Zero-to-Five initiative) and existing programs like Early Reading First, Head Start, and Early Head Start that have demonstrated real benefits for children.

Foundations for Learning $1.0

This program funds services for children and their families to promote the emotional, behavioral, and social development of at-risk children. The program's small size and broad reach make it difficult to evaluate performance and measure outcomes. The Administration is proposing to reallocate these funds to the Mental Health Integration program, which helps link school-based systems with local mental health service systems to provide affordable, comprehensive services that foster children's healthy development. The President's 2010 budget also would make much larger investments supporting similar goals in programs such as the new Early Learning Challenge Fund, Early Reading First, Special Education Preschool Grants, and Special Education Grants for Infants and Families.

Javits Gifted and Talented Education $7.5

Supports research, demonstration projects, and other activities designed to help elementary and secondary schools meet the needs of gifted and talented students. Most gifted and talented education programs in the U.S. are implemented without Federal support, and the program, by making a handful of grants each year, does little to increase the availability of gifted and talented programs in schools, increase the quality of those programs, or advance the field of gifted and talented education nationally.

Program Eliminations, continued (2009 BA in millions)

Mentoring Program $48.5

Makes grants to LEAs and nonprofit community-based organizations to establish and support mentoring programs and activities for children who are at risk of educational failure. A recent impact evaluation of the program conducted by the Institute for Education Sciences found the program to be ineffective. In addition, many other Federal programs in more than a dozen agencies support mentoring activities. For example, the President's budget request includes funding for programs in the Department of Justice and the Corporation for National and Community Service that support mentoring for disadvantaged youth.

National Institute for Literacy (NIFL) $6.5

Despite nearly 2 decades of operations, NIFL has demonstrated little success in its mission of providing national leadership on literacy issues, coordinating Federal literacy programs and policies, and serving as a national resource for adult education and literacy programs. Federal literacy activities remain diffuse and duplicative, and the Administration believes that the Office of Vocational and Adult Education (OVAE) is better positioned to provide effective national literacy leadership and coordination. Folding NIFL's functions into OVAE also would allow all of its resources to be used for national activities rather than for staffing and overhead, which currently absorb almost half of NIFL's appropriation.

Ready to Teach..... $10.7

Makes competitive awards to nonprofit telecommunications entities for programs to improve teaching in core curriculum areas, and to develop, produce, and distribute educational and instructional video programming. Funds are requested under the Fund for the Improvement of Education in the Innovation and Improvement account for a grant competition that would support digital professional development for teachers.

Safe and Drug-Free Schools and Communities State Grants $294.8

This State formula grant program, which is intended to help create and maintain drug-free, safe, and orderly environments for learning in and around schools, has not demonstrated effectiveness, and grant funds are spread too thinly to support quality interventions. The Administration believes better results may be obtained by redirecting a portion of this funding to Safe and Drug-Free Schools and Communities National Activities for direct support, in amounts sufficient to make a real difference, for targeted school safety and drug prevention and education activities that will add to the national knowledge base on program effectiveness and best practices.

V. DEPARTMENTAL MANAGEMENT

History and Background

Congress established the Department of Education as a Cabinet level agency in 1980. Today, the Department operates programs that touch on every area and level of education. The Department's elementary and secondary programs annually serve nearly 14,000 school districts and some 57 million students attending more than 98,000 public schools and 29,000 private schools. Department programs also provide grant, loan, and work-study assistance to more than 14 million postsecondary students.

In general, the Department of Education is responsible for administering education programs authorized by Congress and signed into law by the President. This responsibility involves developing regulations and policy guidance that determine exactly how programs are operated, determining how program funds are awarded to recipients, ensuring that programs are operated fairly and in conformance with both authorizing statutes and laws prohibiting discrimination in federally funded activities, collecting data and conducting research on education, and helping to focus attention on education issues of national importance.

Most Federal funds for education are distributed using one of three methods: a statutory formula based on certain eligibility requirements, such as the number of low-income students in a school district; a competitive process aimed at identifying the most promising proposals or projects targeting a particular educational purpose; or an assessment of financial need, such as the ability of a student or family to pay for college.

Key programs administered by the Department include Title I Grants to Local Educational Agencies, which under the President's 2010 request would deliver $13 billion to help 20 million students in high poverty schools meet State proficiency standards; Individuals with Disabilities Education Act Part B Grants to States, which would provide $13 billion to help States and school districts meet the special educational needs of students of all ages with disabilities; Federal Pell Grants, which would make available over $28 billion in grant assistance to poor students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide over $97 billion a year in new low-interest loans to help students and families pay for college.

While the Department's programs and responsibilities have grown substantially over the years, the agency itself has not. In fact, with a planned fiscal year 2010 level of 4,202 full-time equivalent employees, the Department's staff is 44 percent below the 7,528 employees who administered Federal education programs in several different agencies prior to the creation of the Department in 1980. As a result, the Department has the smallest staff of any Cabinet agency, yet administers the third-largest discretionary budget. This small, efficient staff, along with many management improvements over the years, helps limit administrative costs to approximately 2 percent of the Department's budget, ensuring that the agency delivers about 98 cents on the dollar in education assistance to States, school districts, postsecondary institutions, and students.

The 2010 request for administration, described in detail below, would help the Department continue this record of effective and efficient management of Federal education programs.

Departmental Management
(BA in millions)

	2008	2009	2010 Request
Program Administration	$411.3[1]	$433.5[1]	$456.5[1]
Office for Civil Rights	89.6	96.8	103.0
Office of the Inspector General	50.8	54.5	60.1
Student Aid Administration	695.8	753.4	870.4
Other	13.3[2]	16.7[2]	10.2[2]
Total	1,260.8	1,354.9	1,500.2
Full-time equivalent employment (FTE)			
Program Administration	2,092	2,044	2,102
Office for Civil Rights	614	595	614
Office of the Inspector General	264	273	298
Student Aid Administration	1,102	1,096	1,167
Other	31[2]	37[2]	21[2]
Total	4,089[3]	4,045[3]	4,202[3]

[1] Includes $2.1 million in 2008, $5.4 million in 2009, and $8.2 million in 2010 for Building Modernization.
[2] Includes small Federal Credit Administration accounts and S&E activities in program accounts.
[3] Actual FTE usage in 2008; target for 2009 and 2010.

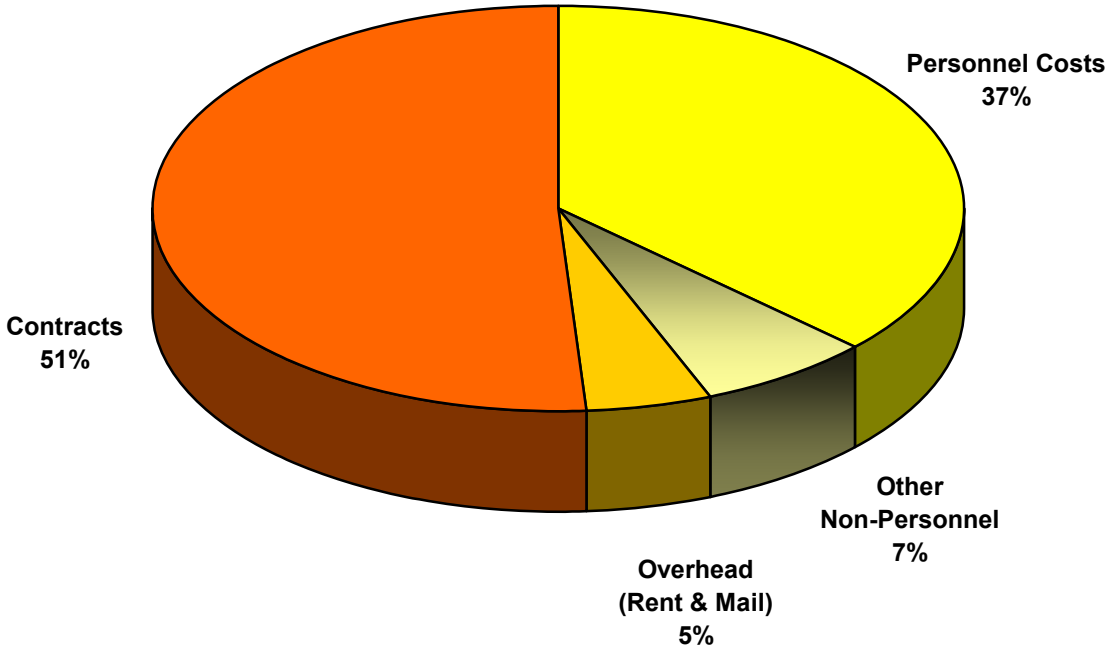
Salaries and Expenses Overview

The 2010 budget request for Salaries and Expenses (S&E) will pay the costs of staff, overhead, contracts, and other activities needed to administer and monitor the Department's educational assistance programs and provide $129 billion in grants and loans to more than 14 million postsecondary students and parents.

The Department is requesting $1.5 billion for its discretionary S&E budget in 2010, an increase of $145 million over the 2009 level. This includes $561 million for payroll costs, which would rise an estimated $35 million to pay for an additional 157 FTE, the proposed 2 percent Governmentwide pay raise in 2010, and employee benefit increases.

The non-personnel costs for the administrative accounts cover such items as travel, rent, mail, telephones, utilities, printing, information technology (IT), contractual services, equipment, supplies, and other Departmental services. The total request for non-personnel activities in 2010 is $939 million.

FY 2010 Salaries and Expenses Costs by Category



The additional funds requested for 2010 are targeted to a few key areas, as follows:

1. +$99.7 million for Federal Student Aid loan and grant processing contracts. This increase will help ensure capacity to originate all new loans in the direct lending program, administer the loan purchase programs authorized by the Ensuring Continued Access to Student Loans Act of 2008, and pay the higher origination and servicing costs associated with increasing loan volume.

2. +$20.6 million for Additional FTE. The Department plans to hire 157 additional staff to help ensure successful management of Federal education programs, including $98 billion in new activities under the American Recovery and Reinvestment Act of 2009 and the servicing of federal student loans purchased by private lenders as authorized by the Ensuring Continued Access to Student Loans Act of 2008.

3. +$13.1 million for pay raises. Additional funds are needed to pay both the enacted Governmentwide 2.9 percent raise for 2009 (4.8 percent for employees in Washington D.C. and varied amounts based on the location of other employees)—and the 2 percent increase proposed for 2010.

4. +$4.8 million for increased office space rental costs. The General Services Administration (GSA) determines the office space costs for the Department, including the cost of rent. Actual rental costs have increased on average 4 percent a year over the last 4 years.

5. +$2.7 million for information technology contracts. Department-wide spending on major IT contracts has not increased in the past few years, despite increasing security and IT requirements. The increase includes funding for additional software licenses, physical moves of equipment to a new data center, load-testing software tools for Web application testing, IT security, and data collection required by the Elementary and Secondary Education Act.

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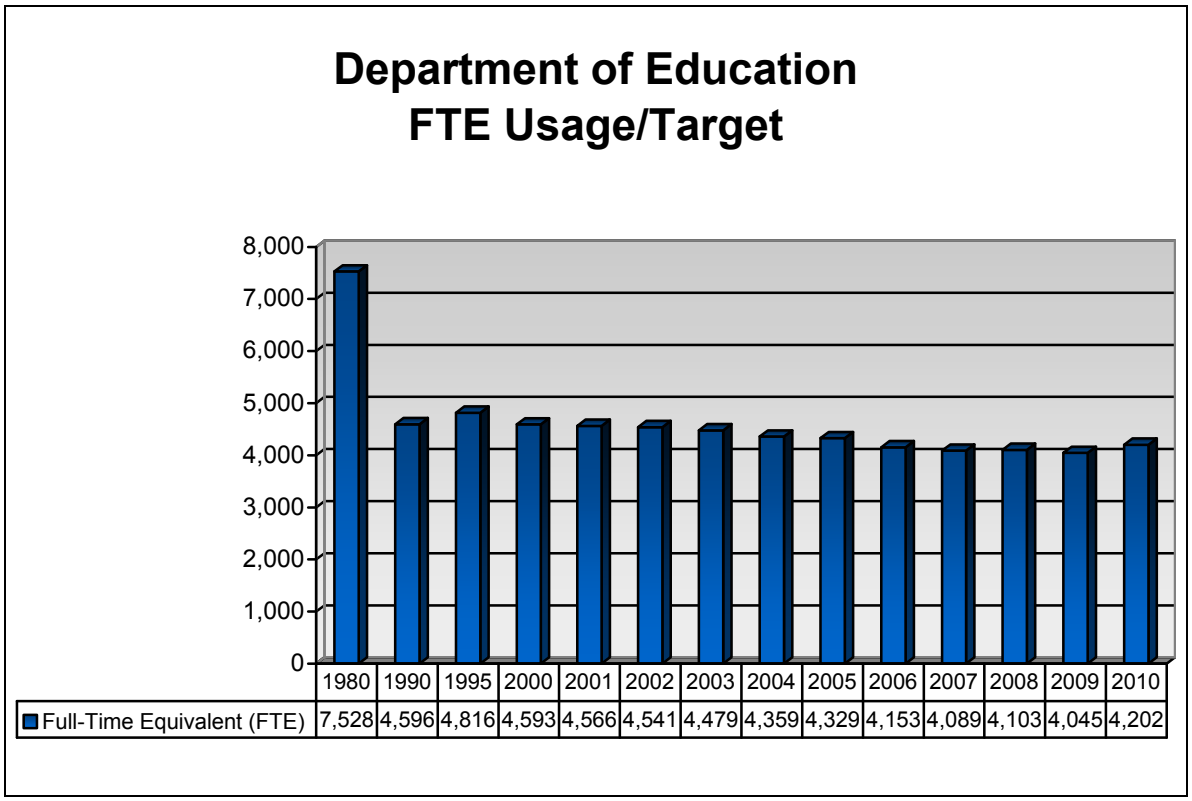
6. +$1.5 million for Civil Rights Data Collection. This biennial data collection is the source of data for analyzing many high priority civil rights issues and is used by the Department's Office for Civil Rights to implement its statutorily mandated enforcement activities.

The net increase for all other items from 2009 to 2010 is $3 million, as the Department is holding costs down for these items as much as possible.

Note that the increases for pay raises and rent are "fixed" increases that will be incurred in 2010. Unless these increases are provided in the 2010 appropriation, the Department will have to reduce support for other activities or cut staff to ensure that resources are available to pay these fixed costs. Student aid contracts and additional staff for Recovery Act administration are essential to ensuring that two of the Department's most important ongoing operations are not jeopardized. And IT improvements are critical to the effective performance of nearly every aspect of the Department's business.

Even with the increase requested for 2010, the discretionary administrative budget would be just 2 percent of the Department's total discretionary appropriation and less than 1 percent of all grants and loans made by the Department last year.



	1980	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Full-Time Equivalent (FTE)	7,528	4,596	4,816	4,593	4,566	4,541	4,479	4,359	4,329	4,153	4,089	4,103	4,045	4,202

Department Employment

The 2010 request includes funding for 4,202 FTE, a net increase of 157 FTE from the 2009 level of 4,045 FTE.

While the Department's workload has steadily increased, its staffing has been reduced through a combination of attrition and hiring freezes. In fact, as the above chart shows, 2009 FTE levels are expected to be the lowest in the past 10 years. Allowing key staff to leave without hiring behind results in the loss of important institutional knowledge, and places key priorities at risk.

An increase of 69 FTE is needed to fill the Department's most important vacancies resulting from 2009 funding constraints and to implement the portions of the Recovery Act for which no administrative funding was provided by the Act. These staff are needed to administer and monitor Elementary and Secondary, Special Education, and Postsecondary Education grants; student aid reauthorization and rulemaking efforts; keep the public informed of the Department's programs and policies; enforce Civil Rights laws; and improve financial management to ensure accountability for the Department's assets and for the expenditure of taxpayer funds.

Several new student loan programs (e.g., loan purchase, asset-backed commercial paper conduit) were created in 2009 aimed at ensuring continued student access to loans for postsecondary education. These programs are high profile, complex, and will require strict oversight. The 71 additional FTE for Federal Student Aid will help implement these new programs, as well as meet the need for more oversight of ongoing programs and monitoring program compliance of participants.

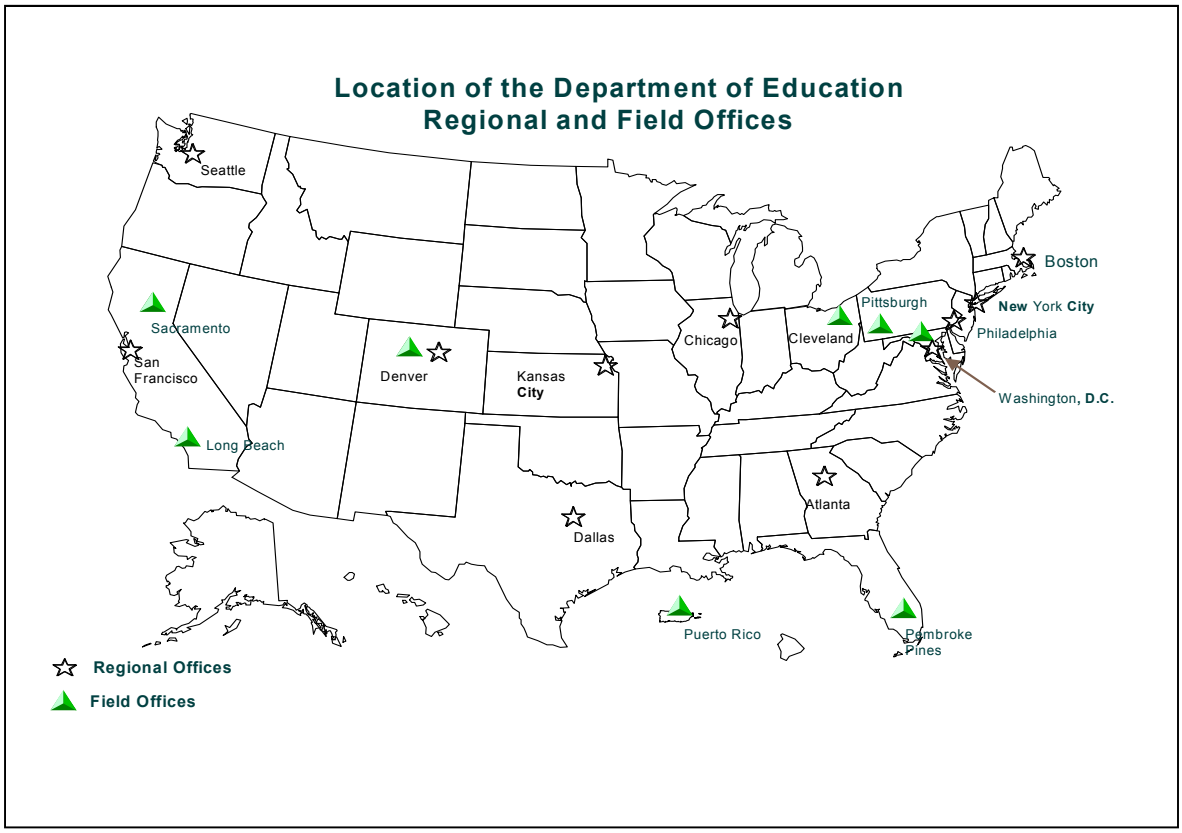
The Department has placed particular emphasis in the last few years on strengthening its role in implementing the Elementary and Secondary Education Act. This effort has emphasized staffing key positions in the Office of Elementary and Secondary Education (OESE), and the 2010 includes the following additions in FTE for OESE: 1 FTE to perform grant management activities for the Teacher Incentive Fund program—this program is expected to grow significantly in the next few years, 1 FTE to perform grant management activities for the Striving Readers program—the Administration is requesting a ten-fold increase in the appropriation for this program, and 6 FTE to work with States on their accountability systems, which is a high priority of the Administration.

An increase of 25 FTE in the Office of Inspector General is needed to handle an increasing audit and investigation workload, fueled in large part by the creation of new programs authorized by the Ensuring Continued Access to Student Loans Act of 2008.

These FTE increases are partially offset by a decrease in 16 FTE for the National Institute for Literacy, for which no funding is requested in 2010.

Despite steadily reducing its workforce, the Department has improved its operational performance, in part by relying heavily on automation and private contractors to handle such functions as awarding grants, processing student aid applications, and providing grants and loans to more than 14 million college students. Already the smallest of the Cabinet agencies, the Department streamlines administrative tasks and privatizes functions that can be handled more efficiently by outside contractors. A prime example of this management approach is the effective use of contracts to operate the Federal Direct Student Loan program.

As shown in the following chart, staff is divided among the Washington, D.C. headquarters, 10 regional offices, and 8 field offices. Most regional and field office employees are in the Federal Student Aid office, the Office of the Inspector General, and the Office for Civil Rights. Regional and field office activities include review of lenders, institutions, and guaranty agencies participating in the student financial aid programs, as well as collections on defaulted student loans; audits and investigations of Department programs and operations; and civil rights complaint investigations and compliance reviews.



Program Administration

The Program Administration account provides administrative support for most programs and offices in the Department. The 2010 request totals $456.5 million, an increase of $23 million from the 2009 level. The budget request includes $288.2 million for personnel compensation and benefits to support 2,102 FTE, an increase of $15.4 million and 58 FTE from the 2009 level.

Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology, contractual services, equipment, supplies, and other services. The total request for non-personnel activities in 2010 is $168.3 million, an increase of $7.6 million from 2009. The increase is primarily for rental payments, the Department's centralized information technology network, and the Building Modernization activity, which will help complete the renovation of the Mary E. Switzer building in Washington, D.C. and consolidate Department staff in that building.

Student Aid Administration

The Department will administer over $129 billion in new Federal student aid grants and loans to more than 14 million students and parents in fiscal year 2010. In addition, the Department will support the consolidation of an estimated $20 billion in loans made in earlier years. In providing this essential financial assistance to postsecondary students and their families, the Department and its contractors will interact on a daily basis with approximately 6,200 schools; 3,100 lenders; 35 guaranty agencies; and dozens of accrediting agencies, participants in the secondary market for student loans, and other organizations. Ensuring the smooth operation of the complex array of financial transactions and participants involved in the student financial aid programs—and safeguarding the interests of both students and Federal taxpayers—is perennially the Department's greatest management challenge and one of its highest administrative priorities. Primary responsibility for administering the Federal student financial assistance programs rests with Federal Student Aid (FSA) and the Office of Postsecondary Education (OPE).

The Student Aid Administration account represents 58 percent of the Department's total administrative budget. The request would provide $870 million to administer student aid programs in 2010, an increase of $117 million from the 2009 level. Of the total request, $152.8 million is for staff pay and benefits for 1,167 FTE and $629.3 million is for information technology contracts, primarily for the processing of student aid grant and loan applications; payments to students, schools, guaranty agencies, and lenders; and to collect defaulted loans.

Office for Civil Rights

The Department's Office for Civil Rights (OCR) investigates discrimination complaints, conducts compliance reviews, monitors corrective action plans, and provides technical assistance on civil rights issues. The 2010 request for OCR is $103 million, an increase of $6.2 million over the 2009 level. About $76 million of the OCR budget is for staff pay and benefits for its 614 FTE; the remaining $27 million covers overhead costs as well as computer equipment, data analysis and reporting activities, travel, staff training, and other contractual services.

The requested funds will ensure essential program support to resolve complaints of discrimination filed by the public and to ensure that institutions receiving Federal financial assistance are in compliance with the civil rights laws enforced by OCR. The request also will provide resources for technical assistance to recipients, parents, and students to informally address civil rights concerns and to prevent problems from arising in the future. OCR provides extensive information on its Internet site, including self-assessment materials for recipients, data on school characteristics, brochures, and other information for the public.

Office of the Inspector General

The Office of the Inspector General (OIG) conducts audits and investigations of the Department's programs and activities to help ensure accountability for taxpayer-provided funds and to identify management improvements. The 2010 request for the OIG is $60.1 million, an increase of $5.5 million over the 2009 level. Approximately 69 percent of this amount, or $41.5 million, is for personnel compensation and benefits to support a staffing level of 298 FTE.

The non-personnel request of $18.6 million includes $1.7 million to contract for the mandated annual audit of the Department's financial statements. The scope of the audit will include the examination and analysis of account balances, review of applicable financial systems, and evaluation of internal controls and compliance with significant laws and regulations.

APPENDICES

Tables:

- American Recovery and Reinvestment Act (ARRA) Funding
- Summary of Discretionary Funds, Fiscal Years 2008-2010
- Education Fact Sheets
- Detailed Budget Table by Program

Department of Education

American Recovery and Reinvestment Act (ARRA)

(in thousands of dollars)

Program	Enacted ARRA
Title I grants to local educational agencies	$10,000,000
Targeted grants	5,000,000
Incentive grants	5,000,000
School improvement grants	3,000,000
Impact aid construction	100,000
Educational technology State grants	650,000
Education for homeless children and youths	70,000
Teacher incentive fund	200,000
State fiscal stabilization fund	53,600,000
State grants	48,600,000 [1]
Incentive and innovation grants	5,000,000 [2]
IDEA Part B grants to States	11,300,000
IDEA Part B preschool grants	400,000
IDEA Part C grants for infants and families	500,000
Vocational rehabilitation State grants	540,000
Independent living	140,000
Federal Pell grants	17,114,000 [3]
Federal work-study	200,000
Teacher quality enhancement	100,000
Statewide data systems	250,000
Student aid administration	60,000
Office of the Inspector General	14,000 [4]
Total	**98,238,000** [3]

[1] Funds can be used by the States for preventing cutbacks, preventing layoffs, school modernization, or other purposes.

[2] Incentive grants are $4,350,000 thousand; the Innovation Fund is $650,000 thousand.

[3] Includes $15,640,000 thousand in discretionary funds to cover prior year shortfalls, provide additional amounts for 2010 Pell awards, and support a $500 increase in the maximum grant to $5,350 in 2009. Also includes $1,474,000 thousand for the mandatory Pell shortfall ($643,000 thousand in FY 2009 and $831,000 thousand in FY 2010).

[4] The Act provides $14,000 thousand over 4 years.

April 27, 2009

DEPARTMENT OF EDUCATION
Summary of Discretionary Funds, FY 2010 Request

(in thousands of dollars) Program	Fiscal Year 2008	Fiscal Year 2009	Recovery Act	FY 2010 Request	Change from FY 2009 - FY 2010 Amount	Change from FY 2009 - FY 2010 Percent
Elementary/Secondary Education (K-12)						
Elementary and Secondary Education Act [1]						
Title I Grants to Local Educational Agencies	13,898,875	14,492,401	10,000,000	12,992,401	(1,500,000)	-10.4%
School Improvement Grants	491,265	545,633	3,000,000	1,545,633	1,000,000	183.3%
Title I Early Childhood Grants	0	0	0	500,000	500,000	---
Early Learning Challenge Fund	0	0	0	300,000	300,000	---
Striving Readers	35,371	35,371	0	370,371	335,000	947.1%
High School Graduation Initative	0	0	0	50,000	50,000	---
Impact Aid	1,240,717	1,265,718	100,000	1,265,718	-	0.0%
Improving Teacher Quality State Grants	2,935,248	2,947,749	0	2,947,749	-	0.0%
Teacher Incentive Fund	97,270	97,270	200,000	517,270	420,000	431.8%
Promise Neighborhoods	0	0	0	10,000	10,000	---
Charter Schools	211,031	216,031	0	268,031	52,000	24.1%
Education Technology State Grants	267,494	269,872	650,000	100,000	(169,872)	-62.9%
21st Century Learning Opportunities	1,081,166	1,131,166	0	1,131,166	-	0.0%
English Language Acquisition	700,395	730,000	0	730,000	-	0.0%
Safe and Drug-Free Schools and Communities	513,391	514,999	0	283,608	(231,391)	-44.9%
Other ESEA	2,944,898	2,582,858	0	2,462,039	(120,819)	-4.7%
Subtotal, ESEA	24,417,121	24,829,068	13,950,000	25,473,986	644,918	2.6%
Special Education (IDEA)						
Grants to States (Part B)	10,947,511	11,505,211	11,300,000	11,505,211	-	0.0%
Other IDEA	1,034,383	1,066,371	900,000	1,066,371	-	0.0%
Subtotal, IDEA	11,981,894	12,571,582	12,200,000	12,571,582	-	0.0%
Subtotal, ESEA and IDEA	36,399,015	37,400,650	26,150,000	38,045,568	644,918	1.7%
Teacher Quality Partnership	33,662	50,000	100,000	50,000	-	0.0%
Career and Technical Education State Grants	1,160,911	1,160,911	0	1,160,911	-	0.0%
State Fiscal Stabilization Fund	0	0	53,600,000	100,000	100,000	---
Other K-12	340,325	327,306	70,000	340,361	13,055	4.0%
Subtotal, Elementary/Secondary Education	37,933,913	38,938,867	79,920,000	39,696,840	757,973	1.9%
Postsecondary Education						
Federal Pell Grants	14,215,000	17,288,000	8,117,059 [2]	0	(17,288,000)	-100.0%
Other Student Financial Aid	1,866,136	1,868,973	200,000	1,801,809	(67,164)	-3.6%
Other Postscondary Education	2,409,513	1,586,339	0	1,912,605	326,266	20.6%
Subtotal, Postsecondary Education	18,490,649	20,743,312	8,317,059 [2]	3,714,414	(17,028,898)	-82.1%
IES Programs						
Research, Development and Dissemination	159,696	167,196	0	224,196	57,000	34.1%
Statistics	88,449	98,521	0	108,521	10,000	10.2%
National Asssessment	104,053	138,844	0	138,844	-	0.0%
Statewide Data Systems	48,293	65,000	250,000	65,000	-	0.0%
Other Programs and Activities	2,386,415	2,494,459	754,000	2,738,509	244,050	9.8%
TOTAL, ED Discretionary Funds	59,211,467	62,646,199	89,241,059 [2]	46,686,324	(15,959,875)	-25.5%

Note: Detail may not add to totals due to rounding.

[1] *Starting in 2009, includes funds for elementary and secondary education programs authorized by the America COMPETES Act (P.L. 110-69)*
[2] *Excludes $7,522,941 thousand being reclassified to mandatory funds and carried over into 2010, from total of $15,640,000 thousand provided in the Recovery Act. Also excludes $1,474,000 thousand in mandatory funds.*

April 27, 2009

DEPARTMENT OF EDUCATION
Summary of Discretionary Funds, FY 2010 Request
(Assuming Continuation of the Pre-2010 Policy for Pell Grants)

(in thousands of dollars) Program	Fiscal Year 2008	Fiscal Year 2009	Recovery Act	FY 2010 Request	Change from FY 2009 - FY 2010 Amount	Change from FY 2009 - FY 2010 Percent
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Early Learning Challenge Fund	0	0	0	300,000	300,000	---
Striving Readers	35,371	35,371	0	370,371	335,000	947.1%
High School Graduation Initative	0	0	0	50,000	50,000	---
Impact Aid	1,240,717	1,265,718	100,000	1,265,718	-	0.0%
Improving Teacher Quality State Grants	2,935,248	2,947,749	0	2,947,749	-	0.0%
Teacher Incentive Fund	97,270	97,270	200,000	517,270	420,000	431.8%
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Charter Schools	211,031	216,031	0	268,031	52,000	24.1%
Education Technology State Grants	267,494	269,872	650,000	100,000	(169,872)	-62.9%
21st Century Learning Opportunities	1,081,166	1,131,166	0	1,131,166	-	0.0%
English Language Acquisition	700,395	730,000	0	730,000	-	0.0%
Safe and Drug-Free Schools and Communities	513,391	514,999	0	283,608	(231,391)	-44.9%
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Career and Technical Education State Grants	1,160,911	1,160,911	0	1,160,911	-	0.0%
State Fiscal Stabilization Fund	0	0	53,600,000	100,000	100,000	---
Other K-12	340,325	327,306	70,000	340,361	13,055	4.0%
Subtotal, Elementary/Secondary Education	37,933,913	38,938,867	79,920,000	39,696,840	757,973	1.9%
Postsecondary Education						
Federal Pell Grants	14,215,000	17,288,000	15,640,000 [2]	17,227,059 [3]	(60,941)	-0.4%
Other Student Financial Aid	1,866,136	1,868,973	200,000	1,801,809	(67,164)	-3.6%
Other Postscondary Education	2,409,513	1,586,339	0	1,912,605	326,266	20.6%
Subtotal, Postsecondary Education	18,490,649	20,743,312	15,840,000 [2]	20,941,473	198,161	1.0%
IES Programs						
Research, Development and Dissemination	159,696	167,196	0	224,196	57,000	34.1%
Statistics	88,449	98,521	0	108,521	10,000	10.2%
National Asssessment	104,053	138,844	0	138,844	-	0.0%
Statewide Data Systems	48,293	65,000	250,000	65,000	-	0.0%
Other Programs and Activities	2,386,415	2,494,459	754,000	2,738,509	244,050	9.8%
TOTAL, ED Discretionary Funds	59,211,467	62,646,199	96,764,000 [2]	63,913,383 [3]	1,267,184	2.0%

Note: Detail may not add to totals due to rounding.

[1] *Starting in 2009, includes funds for elementary and secondary education programs authorized by the America COMPETES Act (P.L. 110-69)*
[2] *Includes $7,522,941 thousand provided in the Recovery Act that will be carried over into 2010 and reclassified to mandatory funds. Excludes $1,474,000 thousand in mandatory funds provided in the Recovery Act for Pell Grants.*
[3] *Displays the Federal Pell Grant request for new budget authority under current law (pre-2010 President's Budget policy) -- the amount in additio to carryover from the Recovery Act and mandatory Pell Grant funds from CCRAA.*

EDUCATION DEPARTMENT FACTS

ED Discretionary Appropriations FY 2008-FY 2009-Recovery Act

	FY 2008	FY 2009	Recovery Act	Change From FY 2008 Amount	Change From FY 2008 Percent
Total K-12	$37.9 B	$38.9 B	$79.9 B	+$80.9 B	+213%
ESEA	$24.4 B	$24.8 B	$14.0 B	+$14.4 B	+59%
Title I	$13.9 B	$14.5 B	$10.0 B	+$10.6 B	+76%
IDEA (Part B)	$10.9 B	$11.5 B	$11.3 B	+$11.9 B	+108%
State Fiscal Stabilization Fund	--	--	53.6 B	+53.6 B	--
Total Postsecondary	$18.5 B	$20.7 B	$15.8 B	+$18.1 B	+98%
Pell	$14.2 B	$17.3 B	$15.6 B	+$18.7 B	+132%
Other non-loan student aid	$1.9 B	$1.9 B	$0.2 B	+$0.2 B	+11%
Other postsecondary	$2.4 B	$1.6 B	$0.1 B	-$0.8 B	-34%
Other Discretionary	$2.4 B	$2.5 B	$0.8 B	+$0.9 B	+36%
Total, Discretionary	$59.2 B	$62.6 B	$96.8 B	+$100.2B	+169.4%

Department Management

FTE Employment: 4,045
Contractors: 6,100
Number of Programs: 167

ELEMENTARY AND SECONDARY EDUCATION FACTS

(2008-09 projected or latest available actual)

Students – 57.4 million

Public:
- 49.8 million students
- 7 million with disabilities
- 5 million limited English proficiency

Demographics:
- 57% White
- 20% Hispanic
- 17% Black
- 5% Asian/Pacific Islander
- 1% American Indian/Alaska Native

Private: 6.1 million students
Home-schooled: 1.5 million students

Teachers – 3.7 million

Public:
- 3.2 million teachers
- Student to teacher ratio: 15.3 to 1

Private: 467,000 teachers

Districts/Schools

- 13,862 public school districts
- 98,793 public schools (includes 4,132 charter schools)
  - 70% elementary schools
  - 24% secondary schools
  - 6% combined
- 33,740 private schools

National Expenditures for K-12 Education (Public and Private) 2008-09

Federal	$52 B	7.8%
State	$302 B	45.3%
Local	$250 B	37.5%
All other	$63 B	9.4%
Total	$667 B	100.0%

Spending Per Pupil in Fall Enrollment (Public)
- $10,384 in U.S. (2008-09 projected)
- $9,683 in U.S. (2006-07)
  - Low: $5,706 in Utah
  - High: $16,163 in New Jersey

HIGHER EDUCATION FIGURES

Vital Statistics

Students

- 24 million enrolled at any time in 2006-07
  - 18.2 million estimated fall 2008 enrollment
  - 74% in public institutions
  - 38% of undergraduates are 24 years or older
  - 40% take at least one remedial course (2000 survey)
- 66% of high school graduates immediately enrolled in higher education (2006)
- 47% of undergrads received Federal aid in 2007-08

Postsecondary institutions (2006-07)

- 6,536 postsecondary institutions
  - 2,679 for-profit
- 4,314 degree-granting
  - 61% 4-year

Bachelor's Degree Completion within 6 years at 4-year schools (at same school):

- 57% of all students
  - 60% of White students
  - 47% of Hispanic students
  - 41% of Black students

ED Financial Aid to Students FY 2009
13.3 million students/parents aided (unduplicated count)

Pell Grants	$25.3 billion
Academic Competitiveness/SMART	$0.9 billion
Other non-loan aid	$2.5 billion
New Student Loans	
• FFEL	$64.0 billion
• Federal Direct Loans	$21.8 billion
• Perkins Loans	$1.1 billion
• TEACH Grants	$0.1 billion
• Subtotal, New Loans	$87.0 billion
Total Aid Available	$115.7 billion

Pell Grants (FY 2009)

- Recipients: 7 million
- Max. Award: $5,350
- Avg. Award: $3,607

ACG/SMART Grants (FY 2009)

- Recipients: 910,000
- ACG Max. award 1st yr students: $750
- ACG Max. award 2nd yr students: $1,300
- SMART Max. award $4,000 (3rd & 4th yr students)

Student Loans

- ED programs will provide $85.8 billion in new loans and $17.4 billion in consolidation loans in FY 2009
- Outstanding Loans as of 2009: $471 billion guaranteed loans; $146 billion direct loans
- 10.2 million borrowers in 2009: 9.4 million students, 600,000 parents, and 477,000 consolidators
- 6.0% interest rate for new Stafford Loans, dropping to 5.6% on July 1, 2009, and 4.5% on July 1, 2010
- 4.2% current variable interest rate on most older loans
- $16,600 average cumulative Federal debt for student graduating from a 4-year school (2003-04)
- 5.2% default rate for the most recent cohort

Changes Under President Obama's Proposals (FY 2008-2010)

- 32% increase in overall Federal student aid, to $129.4 billion
- 22% increase in aid recipients, to 14.2 million
- Ensures predictable Pell awards by shifting to mandatory funding and linking maximum award to inflation (CPI+1%)
- Funding from Recovery Act and proposed FY 2010 Budget increases maximum Pell Grant to $5,550, an $819 increase over the 2008 level
- 57% increase in Pell Grant aid available, supporting 24% more recipients
- Increases Perkins Loan funds to $6 billion, up from $1 billion in 2008
- Make all new student loans through direct lending, saving $21 billion over 5 years

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION (OESE)						
Education for the Disadvantaged						
1. Grants to local educational agencies (ESEA I-A):						
(a) LEA grants:						
(1) Basic grants (section 1124)						
Annual appropriation	D	5,964,119	3,651,225	2,151,225	(1,500,000)	-41.1%
Advance for succeeding fiscal year	D	633,827	2,946,721	2,946,721	0	0.0%
Subtotal		6,597,946	6,597,946	5,097,946	(1,500,000)	-22.7%
(2) Concentration grants (section 1124A)						
Annual appropriation	D	0	0	0	0	---
Advance for succeeding fiscal year	D	1,365,031	1,365,031	1,365,031	0	0.0%
Subtotal		1,365,031	1,365,031	1,365,031	0	0.0%
(3) Targeted grants (section 1125)						
Annual appropriation	D	0	0	0	0	---
Advance for succeeding fiscal year	D	2,967,949	3,264,712	3,264,712	0	0.0%
Subtotal		2,967,949	3,264,712	3,264,712	0	0.0%
(4) Education finance incentive grants (section 1125A)						
Annual appropriation	D	0	0	0	0	---
Advance for succeeding fiscal year	D	2,967,949	3,264,712	3,264,712	0	0.0%
Subtotal		2,967,949	3,264,712	3,264,712	0	0.0%
Subtotal, Grants to LEAs		13,898,875	14,492,401	12,992,401	(1,500,000)	-10.4%
Annual appropriation	D	5,964,119	3,651,225	2,151,225	(1,500,000)	-41.1%
Advance for succeeding fiscal year	D	7,934,756	10,841,176	10,841,176	0	0.0%
2. School improvement grants (ESEA section 1003(g)):	D					
(a) School improvement State grants	D	491,265	545,633	1,515,633	970,000	177.8%
(b) Gulf Coast recovery grants	D	0	0	30,000	30,000	---
Subtotal, School improvement grants		491,265	545,633	1,545,633	1,000,000	183.3%
3. Title I early childhood grants (ESEA I-E, section 1502)	D	0	0	500,000	500,000	---
4. Early learning challenge fund (ESEA V-D, subpart 1)	D	0	0	300,000	300,000	---
5. Reading:						
(a) Early reading first (ESEA I-B-2)	D	112,549	112,549	162,549	50,000	44.4%
(b) Striving readers (ESEA I-E, section 1502)	D	35,371	35,371	370,371	335,000	947.1%
(c) Reading first State grants (ESEA I-B-1)	D	393,012	0	0	0	---
(d) Even start (ESEA I-B-3)	D	66,454	66,454	0	(66,454)	-100.0%
(e) Literacy through school libraries (ESEA I-B-4)	D	19,145	19,145	19,145	0	0.0%
Subtotal, Reading		626,531	233,519	552,065	318,546	136.4%

NOTES: Category Codes are as follows: D = discretionary program; M = mandatory program.
FY 2008 detail may not add to totals due to rounding.

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Education for the Disadvantaged (continued)						
6. State agency programs:						
(a) Migrant (ESEA I-C)	D	379,771	394,771	394,771	0	0.0%
(b) Neglected and delinquent (ESEA I-D)	D	48,927	50,427	50,427	0	0.0%
Subtotal		428,698	445,198	445,198	0	0.0%
7. Comprehensive school reform (ESEA I-F)	D	1,605	0	0	0	---
8. Evaluation (ESEA sections 1501 and 1503)	D	9,167	9,167	9,167	0	0.0%
9. Special programs for migrant students (HEA IV-A-5)	D	33,334	34,168	36,668	2,500	7.3%
10. High school graduation initiative (ESEA I-H)	D	0	0	50,000	50,000	---
Total, Appropriation	D	15,489,476	15,760,086	16,431,132	671,046	4.3%
Total, Budget authority	D	14,938,021	12,853,666	16,431,132	3,577,466	27.8%
Current		7,554,720 [1]	4,918,910 [2]	5,589,956 [2]	671,046	13.6%
Prior year's advance		7,383,301	7,934,756	10,841,176	2,906,420	36.6%
Outlays	*D*	*14,872,535*	*15,430,213*	*15,670,348*	*240,135*	*1.6%*
Education for the Disadvantaged, Recovery Account						
1. Grants to local educational agencies (ESEA I-A):						
(a) Targeted grants (section 1125)	D	0	5,000,000	0	(5,000,000)	-100.0%
(b) Education finance incentive grants (section 1125A)	D	0	5,000,000	0	(5,000,000)	-100.0%
Subtotal		0	10,000,000	0	(10,000,000)	-100.0%
2. School improvement grants (ESEA, section 1003(g))	D	0	3,000,000	0	(3,000,000)	-100.0%
Total	D	0	13,000,000	0	(13,000,000)	-100.0%
Outlays	*D*	*0*	*494,000*	*6,214,000*	*5,720,000*	*1157.9%*

[1] *Excludes an advance appropriation of $7,934,756 thousand that becomes available on October 1 of the following fiscal year.*
[2] *Excludes an advance appropriation of $10,841,176 thousand that becomes available on October 1 of the followin*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Impact Aid (ESEA VIII)						
1. Payments for federally connected children (section 8003):						
(a) Basic support payments (section 8003(b))	D	1,105,535	1,128,535	1,128,535	0	0.0%
(b) Payments for children with disabilities (section 8003(d))	D	48,602	48,602	48,602	0	0.0%
Subtotal		1,154,137	1,177,137	1,177,137	0	0.0%
2. Facilities maintenance (section 8008)	D	4,864	4,864	4,864	0	0.0%
3. Construction (section 8007)	D	17,509	17,509	17,509	0	0.0%
4. Payments for Federal property (section 8002)	D	64,208	66,208	66,208	0	0.0%
Total	D	1,240,717	1,265,718	1,265,718	0	0.0%
Outlays	*D*	*1,247,691*	*1,533,385*	*1,177,654*	*(355,731)*	*-23.2%*
Impact Aid, Recovery Account (ESEA VIII)						
1. Construction (section 8007)	D	0	100,000	0	(100,000)	-100.0%
Outlays	*D*	*0*	*36,000*	*10,000*	*(26,000)*	*-72.2%*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
School Improvement Programs						
1. Improving teacher quality (ESEA II):						
(a) Improving teacher quality State grants (Part A)						
Annual appropriation	D	1,500,248	1,266,308	1,266,308	0	0.0%
Advance for succeeding fiscal year	D	1,435,000	1,681,441	1,681,441	0	0.0%
Subtotal	D	2,935,248	2,947,749	2,947,749	0	0.0%
(b) Mathematics and science partnerships (Part B)	D	178,978	178,978	178,978	0	0.0%
2. Educational technology State grants (ESEA II-D-1 and 2)	D	267,494	269,872	100,000	(169,872)	-62.9%
3. 21st century community learning centers (ESEA IV-B)	D	1,081,166	1,131,166	1,131,166	0	0.0%
4. Javits gifted and talented education (ESEA V-D, subpart 6)	D	7,463	7,463	0	(7,463)	-100.0%
5. Foreign language assistance (ESEA V-D, subpart 9)	D	25,655	26,328	26,328	0	0.0%
6. State assessments (ESEA VI-A-1)	D	408,732	410,732	410,732	0	0.0%
7. Education for homeless children and youths (MVHAA Title VII-B)	D	64,067	65,427	65,427	0	0.0%
8. Emergency funds for homeless students (Disaster Relief and Recovery Supplemental Appropriations Act, 2008, P.L. 110-329, Division B, Title I, Chapter 7)	D	15,000	0	0	0	---
9. Education for Native Hawaiians (ESEA VII-B)	D	33,315	33,315	33,315	0	0.0%
10. Alaska Native education equity (ESEA VII-C)	D	33,315	33,315	33,315	0	0.0%
11. Training and advisory services (CRA IV)	D	6,989	9,489	6,989	(2,500)	-26.3%
12. Rural education (ESEA VI-B)	D	171,854	173,382	173,382	0	0.0%
13. Supplemental education grants (Compact of Free Association Act)	D	17,687	17,687	17,687	0	0.0%
14. Comprehensive centers (ETAA section 203)	D	57,113	57,113	57,113	0	0.0%
Total, Appropriation	D	5,304,076	5,362,016	5,182,181	(179,835)	-3.4%
Total, Budget authority	D	5,304,076	5,115,575	5,182,181	66,606	1.3%
Current		3,869,076 [1]	3,680,575 [2]	3,500,740 [2]	(179,835)	-4.9%
Prior year's advance		1,435,000	1,435,000	1,681,441	246,441	17.2%
Outlays	*D*	*5,365,099*	*5,208,591*	*5,304,452*	*95,861*	*1.8%*
School Improvement Programs, Recovery Act						
1. Educational technology State grants (ESEA II-D-1 and 2)	D	0	650,000	0	(650,000)	-100.0%
2. Education for homeless children and youths (MVHAA Title VII-B)	D	0	70,000	0	(70,000)	-100.0%
Total	D	0	720,000	0	(720,000)	-100.0%
Outlays	*D*	*0*	*13,680*	*417,600*	*403,920*	*2952.6%*

[1] *Excludes an advance appropriation of $1,435,000 thousand that becomes available on October 1 of the following fiscal year.*
[2] *Excludes an advance appropriation of $1,681,441 thousand that becomes available on October 1 of the following fiscal year.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Indian Education (ESEA VII)						
1. Grants to local educational agencies (Part A-1)	D	96,613	99,331	99,331	0	0.0%
2. Special programs for Indian children (Part A-2)	D	19,060	19,060	19,060	0	0.0%
3. National activities (Part A-3)	D	3,891	3,891	3,891	0	0.0%
Total	D	119,564	122,282	122,282	0	0.0%
Outlays	*D*	*115,780*	*114,559*	*120,094*	*5,535*	*4.8%*
STATE FISCAL STABILIZATION FUND						
State Fiscal Stabilization Fund, Recovery Act						
1. State grants (ARRA XIV)	D	0	48,586,000	0	(48,586,000)	-100.0%
2. Race-to-the-Top incentive grants (ARRA XIV, section 14006)	D	0	4,350,000	0	(4,350,000)	-100.0%
3. What Works and innovation fund (ARRA XIV, sections 14007)	D	0	650,000	0	(650,000)	-100.0%
4. Administration and oversight (ARRA XIV, sections 14101 (b))	D	0	14,000	0	(14,000)	-100.0%
Total	D	0	53,600,000	0	(53,600,000)	-100.0%
Outlays	*D*	*0*	*5,360,520*	*26,810,740*	*21,450,220*	*400.2%*
State Fiscal Stabilization Fund						
1. What Works and innovation fund (ARRA XIV, section 14007)	D	0	0	100,000	100,000	---
Total	D	0	0	100,000	100,000	---
Outlays	*D*	*0*	*0*	*10,000*	*10,000*	---
TOTAL APPROPRIATION, OESE		22,153,833	89,930,102	23,101,313	(66,828,789)	-74.3%
TOTAL BUDGET AUTHORITY, OESE		21,602,378 [1]	86,777,241 [2]	23,101,313 [2]	(63,675,928)	-73.4%

[1] *Excludes advance appropriations totaling $9,369,796 thousand that become available on October 1 of the following fiscal year.*
[2] *Excludes advance appropriations totaling $12,522,617 thousand that become available on October 1 of the following fiscal year.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
OFFICE OF INNOVATION AND IMPROVEMENT (OII						
Innovation and Improvement						
1. Recruiting and training high quality teachers and principals:						
(a) Teacher incentive fund:						
(1) Teacher incentive fund grants (ESEA V-D-1)	D	97,270	97,270	487,270	390,000	400.9%
(2) National teacher recruitment campaign (ESEA section 2151 (a))	D	0	0	30,000	30,000	---
Subtotal	D	97,270	97,270	517,270	420,000	431.8%
(b) Troops-to-teachers (ESEA II-C-1-A)	D	14,389	14,389	14,389	0	0.0%
(c) Transition to teaching (ESEA II-C-1-B)	D	43,707	43,707	43,707	0	0.0%
(d) Teacher quality partnership (HEA II-A)	D	33,662 [1]	50,000 [1]	50,000	0	0.0%
(e) National writing project (ESEA II-C-2)	D	23,581	24,291	24,291	0	0.0%
(f) Teaching American history (ESEA II-C-4)	D	117,904	118,952	118,952	0	0.0%
(g) Academies for American history and civics (American History and Civics Education Act)	D	1,945	1,945	0	(1,945)	-100.0%
(h) School leadership (ESEA section 2151(b))	D	14,474	19,220	29,220	10,000	52.0%
(i) Advanced credentialing (ESEA section 2151(c))	D	9,649	10,649	10,649	0	0.0%
(j) Teach for America (HEA II-F)	D	0	0	15,000	15,000	---
2. School choice and flexibility (ESEA Title V):						
(a) Charter schools grants (Part B-1)	D	211,031 [2]	216,031 [3]	268,031 [4]	52,000	24.1%
(b) Credit enhancement for charter school facilities (Part B-2)	D	0 [2]	0 [3]	0 [4]	0	---
(c) Voluntary public school choice (Part B-3)	D	25,819	25,819	25,819	0	0.0%
(d) Magnet schools assistance (Part C)	D	104,829	104,829	104,829	0	0.0%
3. Advanced placement (ESEA I-G)	D	43,540	43,540	43,540	0	0.0%
4. Close Up fellowships (ESEA section 1504)	D	1,942	1,942	0	(1,942)	-100.0%
5. Ready-to-learn television (ESEA II-D-3)	D	23,831	25,416	25,416	0	0.0%
6. FIE programs of national significance (ESEA V-D, subpart 1)	D	121,934	115,965	67,076	(48,889)	-42.2%
7. Reading is fundamental/Inexpensive book distribution (ESEA V-D, subpart 5)	D	24,606	24,803	24,803	0	0.0%
8. Ready to teach (ESEA V-D, subpart 8)	D	10,700	10,700	0	(10,700)	-100.0%
9. Exchanges with historic whaling and trading partners (ESEA V-D, subpart 12)	D	8,754	8,754	8,754	0	0.0%
10. Excellence in economic education (ESEA V-D, subpart 13)	D	1,447	1,447	1,447	0	0.0%
11. Mental health integration in schools (ESEA V-D, subpart 14, section 5541)	D	4,949	5,913	6,913	1,000	16.9%
12. Foundations for learning (ESEA V-D, subpart 14, section 5542)	D	929	1,000	0	(1,000)	-100.0%
13. Arts in education (ESEA V-D, subpart 15)	D	37,533	38,166	38,166	0	0.0%
14. Parental information and resource centers (ESEA V-D, subpart 16)	D	38,908	39,254	39,254	0	0.0%
15. Women's educational equity (ESEA V-D, subpart 21)	D	1,846	2,423	2,423	0	0.0%
16. Promise Neighborhoods (ESEA V-D, subpart I)	D	0	0	10,000	10,000	---
Total	D	1,019,180	1,046,425	1,489,949	443,524	42.4%
Outlays	*D*	*888,729*	*1,085,038*	*1,021,148*	*(63,890)*	*-5.9%*
Innovation and Improvement, Recovery Act						
1. Teacher incentive fund (ESEA V-D-1)	D	0	200,000 [5]	0	(200,000)	-100.0%
Outlays	*D*	*0*	*0*	*90,000*	*90,000*	---
TOTAL, OII		1,019,180	1,246,425	1,489,949	243,524	19.5%

[1] *Adjusted for comparability Funds were appropriated in FY 2008 and FY 2009 in the Higher Education account as Teacher Quality Enhancement.*
[2] *From the amount appropriated for charter schools in FY 2008, the appropriations act permits the Secretary to use the amount in excess of $190,000 thousand for Charter School Facilities Incentive Grants and Credit Enhancement for Charter School Facilities.*
[3] *From the amount appropriated for charter schools in FY 2009, the appropriations act permits the Secretary to use the amount in excess of $195,000 thousand for Charter School Facilities Incentive Grants and Credit Enhancement for Charter School Facilities.*
[4] *The FY 2010 request proposes that, from the amount appropriated for charter schools, the Secretary be permitted to use the amount in excess of $195,000 thousand for Charter School Facilities Incentive Grants and Credit Enhancement for Charter School Facilities.*
[5] *Excludes $100,000 thousand of Recovery Act funds for Teacher Quality Partnership Grants, which is displayed under the Higher Education, Recovery Act .*

(in thousands of dollars)

Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Change from 2009 Appropriation Percent
OFFICE OF SAFE AND DRUG-FREE SCHOOLS (OSDFS)						
Safe Schools and Citizenship Education						
1. Safe and drug-free schools and communities (ESEA IV-A):						
(a) State grants (Subpart 1)	D	294,759	294,759	0	(294,759)	-100.0%
(b) National programs (Subpart 2):						
(1) National activities (sections 4121 and 4122)	D	137,664	140,264 [1]	250,896	110,632	78.9%
(2) Alcohol abuse reduction (section 4129)	D	32,423	32,712	32,712	0	0.0%
(3) Mentoring program (section 4130)	D	48,544	47,264 [1]	0	(47,264)	-100.0%
Subtotal, National programs		218,632	220,240	283,608	63,368	28.8%
Subtotal		513,391	514,999	283,608	(231,391)	-44.9%
2. Character education (ESEA V-D, subpart 3)	D	23,824	11,912	0	(11,912)	-100.0%
3. Elementary and secondary school counseling (ESEA V-D, subpart 2)	D	48,617	52,000	52,000	0	0.0%
4. Physical education program (ESEA V-D, subpart 10)	D	75,655	78,000	78,000	0	0.0%
5. Civic education (ESEA II, Part C-3):						
(a) We the People (section 2344)	D	20,056	20,076	0	(20,076)	-100.0%
(b) Cooperative education exchange (section 2345)	D	11,861	13,383	0	(13,383)	-100.0%
Subtotal		31,917	33,459	0	(33,459)	-100.0%
Total	D	693,404	690,370	413,608	(276,762)	-40.1%
Outlays	*D*	*823,893*	*807,558*	*759,279*	*(48,279)*	*-6.0%*
TOTAL, OSDFS		693,404	690,370	413,608	(276,762)	-40.1%

[1] *Reflects a reprogramming of $1,280 thousand from the Mentoring Program to National Activities.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
OFFICE OF ENGLISH LANGUAGE ACQUISITION						
English Language Acquisition (ESEA III, Part A)	D	700,395	730,000	730,000	0	0.0%
Outlays	*D*	*601,627*	*882,512*	*743,500*	*(139,012)*	*-15.8%*
TOTAL, OELA		700,395	730,000	730,000	0	0.0%
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES (OSERS)						
Special Education						
1. State grants:						
(a) Grants to States (IDEA-B-611)						
Annual appropriation	D	4,091,067	2,912,828	2,912,828	0	0.0%
Advance for succeeding fiscal year	D	6,856,444	8,592,383	8,592,383	0	0.0%
Subtotal		10,947,511	11,505,211	11,505,211	0	0.0%
(b) Preschool grants (IDEA-B-619)	D	374,099	374,099	374,099	0	0.0%
(c) Grants for infants and families (IDEA-C)	D	435,654	439,427	439,427	0	0.0%
Subtotal, State grants		11,757,264	12,318,737	12,318,737	0	0.0%
2. National activities (IDEA-D):						
(a) State personnel development (Subpart 1)	D	22,598	48,000	48,000	0	0.0%
(b) Technical assistance and dissemination (section 663)	D	48,049	48,549	48,549	0	0.0%
(c) Personnel preparation (section 662)	D	88,153	90,653	90,653	0	0.0%
(d) Parent information centers (sections 671-673)	D	26,528	27,028	27,028	0	0.0%
(e) Technology and media services (section 674)	D	39,301	38,615	38,615	0	0.0%
Subtotal		224,629	252,845	252,845	0	0.0%
3. Special Olympics education programs (Special Olympics Sport and Empowerment Act)	D	11,790	8,095	8,095	0	0.0%
Total, Appropriation	D	11,993,684	12,579,677	12,579,677	0	0.0%
Total, Budget authority	D	10,561,440	10,843,738	12,579,677	1,735,939	16.0%
Current		5,137,240 [1]	3,987,294 [2]	3,987,294 [2]	0	0.0%
Prior year's advance		5,424,200	6,856,444	8,592,383	1,735,939	25.3%
Outlays	*D*	*12,280,101*	*11,490,079*	*12,336,617*	*846,538*	*7.4%*
Special Education, Recovery Act						
1. State grants:						
(a) Grants to States (IDEA-B-611)	D	0	11,300,000	0	(11,300,000)	-100.0%
(b) Preschool grants (IDEA-B-619)	D	0	400,000	0	(400,000)	-100.0%
(c) Grants for infants and families (IDEA-C)	D	0	500,000	0	(500,000)	-100.0%
Total	D	0	12,200,000	0	(12,200,000)	-100.0%
Outlays	*D*	*0*	*244,000*	*4,514,000*	*4,270,000*	*1750.0%*

[1] *Excludes an advance appropriation of $6,856,444 thousand that becomes available on October 1 of the following fiscal year.*
[2] *Excludes an advance appropriation of $8,592,383 thousand that becomes available on October 1 of the following fiscal year.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Rehabilitation Services and Disability Research						
1. Vocational rehabilitation State grants:						
(a) Grants to States (RA Title I-A, sections 110 and 111)	M	2,839,151	2,938,522	3,047,247	108,725	3.7%
(b) Grants to Indians (RA Title I-C)	M	34,892	36,113	37,449	1,336	3.7%
Subtotal		2,874,043	2,974,635	3,084,696	110,061	3.7%
Discretionary	D	0	0	0	0	---
Mandatory baseline	M	2,874,043	2,974,635	3,084,696	110,061	3.7%
2. Client assistance State grants (RA section 112)	D	11,576	11,576	11,576	0	0.0%
3. Training (RA section 302)	D	37,766	37,766	37,766	0	0.0%
4. Demonstration and training programs (RA section 303)	D	10,151	9,594	6,506	(3,088)	-32.2%
5. Migrant and seasonal farmworkers (RA section 304)	D	2,239	2,239	2,239	0	0.0%
6. Recreational programs (RA section 305)	D	2,474	2,474	2,474	0	0.0%
7. Protection and advocacy of individual rights (RA section 509)	D	16,201	17,101	17,101	0	0.0%
8. Projects with industry (RA VI-A)	D	19,197	19,197	19,197	0	0.0%
9. Supported employment State grants (RA VI-B)	D	29,181	29,181	29,181	0	0.0%
10. Independent living (RA VII):						
(a) State grants (Chapter 1, Part B)	D	22,193	23,450	23,450	0	0.0%
(b) Centers (Chapter 1, Part C)	D	73,334	77,266	80,266	3,000	3.9%
(c) Services for older blind individuals (Chapter 2)	D	32,320	34,151	34,151	0	0.0%
11. Program improvement (RA section 12(a))	D	622	622	852	230	37.0%
12. Evaluation (RA section 14)	D	1,447	1,447	1,217	(230)	-15.9%
13. Helen Keller National Center for Deaf-Blind Youths and Adults (HKNCA)	D	8,362	8,362	8,362	0	0.0%
14. National Institute on Disability and Rehabilitation Research (RA II)	D	105,741	107,741	110,741	3,000	2.8%
15. Assistive technology programs (ATA, sections 4, 5, and 6)	D	29,920	30,960	30,960	0	0.0%
Subtotal		402,725	413,127	416,039	2,912	0.7%
Total		3,276,768	3,387,762	3,500,735	112,973	3.3%
Discretionary	D	402,725	413,127	416,039	2,912	0.7%
Mandatory baseline	M	2,874,043	2,974,635	3,084,696	110,061	3.7%
Outlays, Total		*3,242,297*	*3,699,404*	*3,488,751*	*(210,653)*	*-5.7%*
Discretionary	*D*	*401,753*	*692,577*	*435,258*	*(257,319)*	*-37.2%*
Mandatory baseline	*M*	*2,840,544*	*3,006,827*	*3,053,493*	*46,666*	*1.6%*
Rehabilitation Services and Disability Research, Recovery Act						
1. Vocational rehabilitation State grants:						
(a) Grants to States (RA Title I-A, sections 110 and 111)	D	0	540,000	0	(540,000)	-100.0%
(b) Grants to Indians (RA I-C)	D	0	0	0	0	---
2. Independent living (RA VII):						
(a) State grants (Chapter 1, Part B)	D	0	18,200	0	(18,200)	-100.0%
(b) Centers (Chapter 1, Part C)	D	0	87,500	0	(87,500)	-100.0%
(c) Services for older blind individuals (Chapter 2)	D	0	34,300	0	(34,300)	-100.0%
Total	D	0	680,000	0	(680,000)	-100.0%
Outlays	*D*	*0*	*214,600*	*356,400*	*141,800*	*66.1%*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
American Printing House for the Blind (20 U.S.C. 101 et seq.)	D	21,616	22,599	22,599	0	0.0%
Outlays	*D*	*19,522*	*26,297*	*22,599*	*(3,698)*	-14.1%
National Technical Institute for the Deaf (EDA I-B and section 207)						
1. Operations	D	58,020	63,037	63,037	0	0.0%
2. Construction	D	1,675	1,175	5,400	4,225	359.6%
Total	D	59,696	64,212	68,437	4,225	6.6%
Outlays	*D*	*58,308*	*59,905*	*64,729*	*4,824*	*8.1%*
Gallaudet University (EDA I-A and section 207)	D					
1. Operations	D	113,384	118,000	118,000	0	0.0%
2. Construction		0	6,000	2,000	(4,000)	-66.7%
Total	D	113,384	124,000	120,000	(4,000)	-3.2%
Outlays	*D*	*113,384*	*111,520*	*119,820*	*8,300*	*7.4%*
TOTAL APPROPRIATION, OSERS		15,465,147	29,058,250	16,291,448	(12,766,802)	-43.9%
Discretionary	D	12,591,104	26,083,615	13,206,752	(12,876,863)	-49.4%
Mandatory	M	2,874,043	2,974,635	3,084,696	110,061	3.7%
TOTAL BUDGET AUTHORITY, OSERS		14,032,903	27,322,311	16,291,448	(11,030,863)	-40.4%
Discretionary	D	11,158,860 [1]	24,347,676 [2]	13,206,752 [2]	(11,140,924)	-45.8%
Mandatory	M	2,874,043	2,974,635	3,084,696	110,061	3.7%

[1] *Excludes an advance appropriation of $6,856,444 thousand that becomes available on October 1 of the following fiscal year.*
[2] *Excludes an advance appropriation of $8,592,383 thousand that becomes available on October 1 of the following fiscal year.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
OFFICE OF VOCATIONAL AND ADULT EDUCATION (OVAE)						
Career, Technical, and Adult Education						
1. Career and technical education (Carl D. Perkins CTEA):						
(a) State grants (Title I)						
Annual appropriation	D	369,911	369,911	369,911	0	0.0%
Advance for succeeding fiscal year	D	791,000	791,000	791,000	0	0.0%
Subtotal		1,160,911	1,160,911	1,160,911	0	0.0%
(b) National programs (section 114)	D	7,860	7,860	7,860	0	0.0%
(c) Tech prep education State grants (Title II)	D	102,923	102,923	102,923	0	0.0%
Subtotal, Career and technical education		1,271,694	1,271,694	1,271,694	0	0.0%
2. Adult education:						
(a) Adult basic and literacy education State grants (AEFLA and WIA section 503)	D	554,122	554,122	628,221	74,099	13.4%
(b) National leadership activities (AEFLA section 243)	D	6,878	6,878	13,346	6,468	94.0%
(c) National Institute for Literacy (AEFLA section 242)	D	6,468	6,468	0	(6,468)	-100.0%
Subtotal, Adult education		567,468	567,468	641,567	74,099	13.1%
3. Smaller learning communities (ESEA V-D, subpart 4)	D	80,108	88,000	88,000	0	0.0%
4. State grants for workplace and community transition training for incarcerated individuals (HE Amendments of 1998, VIII-D)	D	22,372	17,186	17,186	0	0.0%
Total, Appropriation	D	1,941,642	1,944,348	2,018,447	74,099	3.8%
Total, Budget authority	D	1,941,642	1,944,348	2,018,447	74,099	3.8%
Current		1,150,642 [1]	1,153,348 [1]	1,227,447 [1]	74,099	6.4%
Prior year's advance		791,000	791,000	791,000	0	0.0%
Outlays	*D*	*1,894,706*	*2,174,695*	*1,944,004*	*(230,691)*	*-10.6%*
TOTAL APPROPRIATION, OVAE		1,941,642	1,944,348	2,018,447	74,099	3.8%
TOTAL BUDGET AUTHORITY, OVAE		1,941,642	1,944,348	2,018,447	74,099	3.8%

[1] *Excludes an advance appropriation of $791,000 thousand that becomes available on October 1 of the following fiscal year.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
FEDERAL STUDENT AID (FSA)						
Federal Pell Grants						
1. Federal Pell grants (HEA IV-A-1):						
(a) Mandatory Federal Pell Grants account	M	0	0	28,654,059	28,654,059	---
(b) Mandatory Pell grants add-on funds in Student Financial Assistance account	M	2,030,000	2,090,000	3,030,000	940,000	45.0%
(c) Rescission of mandatory add-on funds in Student Financial Assistance account	M	0	0	(3,030,000)	(3,030,000)	---
(d) Discretionary Pell grants	D	14,215,000	17,288,000	0	(17,288,000)	-100.0%
(e) Mandatory funding related to eliminating tuition sensitivity in AY 2007-2008	M	11,000	0	0	0	---
Total		16,256,000	19,378,000	28,654,059	9,276,059	47.9%
Discretionary	D	14,215,000	17,288,000	0	(17,288,000)	-100.0%
Mandatory	M	2,041,000	2,090,000	28,654,059	26,564,059	1271.0%
Outlays		*15,232,601*	*17,043,754*	*20,687,975*	*3,644,221*	*21.4%*
Discretionary	*D*	*14,669,979*	*14,875,754*	*11,794,185*	*(3,081,569)*	*-20.7%*
Mandatory	*M*	*562,622*	*2,168,000*	*8,893,790*	*6,725,790*	*310.2%*
Federal Pell Grants, Recovery Act						
1. Federal Pell grants (HEA IV-A-1):						
(a) Discretionary Pell grants	D	0	15,640,000	0	(15,640,000)	-100.0%
(b) Mandatory Pell grants	M	0	1,474,000	0	(1,474,000)	-100.0%
(c) Advance appropriation for FY 2010 (non-add)	M	0	(831,000) [1]	831,000 [1]	1,662,000	-200.0%
(d) Reclassification of discretionary funds	D	0	(7,522,941)	0	7,522,941	-100.0%
(e) Reclassification to mandatory funds	M	0	7,522,941	0	(7,522,941)	-100.0%
(f) Rescission	M	0	0	(8,353,941) [2]	(8,353,941)	---
Total		0	17,114,000	(8,353,941)	(25,467,941)	-148.8%
Discretionary	D	0	8,117,059	0	(8,117,059)	-100.0%
Mandatory	M	0	8,996,941	(8,353,941)	(17,350,882)	-192.9%
Outlays		*0*	*3,496,378*	*5,416,161*	*1,919,783*	*54.9%*
Discretionary	*D*	*0*	*3,322,768*	*4,728,831*	*1,406,063*	*42.3%*
Mandatory	*M*	*0*	*173,610*	*687,330*	*513,720*	*295.9%*
TOTAL, Federal Pell Grants		16,245,000	36,492,000	20,300,118	(16,191,882)	-44.4%
Discretionary Pell grants	D	14,215,000	25,405,059	0	(25,405,059)	-100.0%
Mandatory Pell grants	M	2,030,000	11,086,941 [1]	20,300,118 [1]	9,213,177	83.1%
Federal Pell Grants Program Information (memorandum entry):						
Discretionary appropriation	D	14,215,000	25,405,059	0	(25,405,059)	-100.0%
Prior year surplus/(shortfall)	D	(807,059)	(2,571,059)	0	2,571,059	-100.0%
Mandatory appropriation	M	2,030,000	10,255,941	28,654,059	18,398,118	179.4%
Prior year surplus/(shortfall)	M	0	(203,000)	0	203,000	-100.0%
Total resources		15,437,941	32,886,941	28,654,059	(4,232,882)	-12.9%
Discretionary program costs	D	15,979,000	22,834,000	0	(22,834,000)	-100.0%
Mandatory program costs	M	2,233,000	2,530,000	28,654,059	26,124,059	1032.6%
Total, program costs		18,212,000	25,364,000	28,654,059	3,290,059	13.0%
Discretionary program current year surplus/(shortfall)	D	(2,571,059)	0	0	0	---
Mandatory program current year surplus/(shortfall)	M	(203,000)	7,522,941	0	(7,522,941)	-100.0%
Total, surplus/(shortfall)		(2,774,059)	7,522,941	0	(7,522,941)	-100.0%
Maximum award (in whole dollars)						
Base award		$4,241	$4,860	$5,550	$690	14.2%
Mandatory add-on		$490	$490	$0	($490)	-100.0%
Total maximum award		$4,731	$5,350	$5,550	$200	3.7%
Recipients (in thousands)		6,116	7,022	7,590	568	8.1%

[1] *The Recovery Act provided $1,474,000 thousand for mandatory Pell Grants, which includes $831,000 thousand in advance appropriation that become available in FY 2010. With the advance of $831,000 thousand in FY 2010 total mandatory fund would decrease in FY 2009 to $10,255,941 thousand and increase in FY 2010 to $21,131,118 thousand.*

[2] *Rescission of $8,353,941,000 includes $831,000 thousand in funds for the Pell Grants mandatory add-on and $7,523 million in unobligated Recovery Act funds.*

NOTE: The Federal Pell Grants account is adjusted for comparability. Funds were appropriated in the Student Financial Assistance account in fiscal years 2008 and 2009.

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Student Financial Assistance						
1. Campus-based programs:						
(a) Federal supplemental educational opportunity grants (HEA IV-A-3)	D	757,465	757,465	757,465	0	0.0%
(b) Federal work-study (HEA IV-C)	D	980,492	980,492	980,492	0	0.0%
(c) Federal Perkins loan cancellations (HEA IV-E):[2]	D	64,327	67,164	0 [1]	(67,164)	-100.0%
Subtotal, Campus-based programs		1,802,284	1,805,121	1,737,957	(67,164)	-3.7%
2. Leveraging educational assistance partnerships (HEA IV-A-4)	D	63,852	63,852	63,852	0	0.0%
3. College access and completion fund (proposed legislation)	M	0	0	500,000	500,000	---
Total		1,866,136	1,868,973	2,301,809	432,836	23.2%
Discretionary	D	1,866,136	1,868,973	1,801,809	(67,164)	-3.6%
Mandatory	M	0	0	500,000	500,000	---
Outlays		*1,847,901*	*1,913,883*	*1,899,829*	*(14,054)*	*-0.7%*
Discretionary	*D*	*1,847,901*	*1,913,883*	*1,799,829*	*(114,054)*	*-6.0%*
Mandatory	*M*	*0*	*0*	*100,000*	*100,000*	*---*
Student Financial Assistance, Recovery Act						
1. Federal work-study (HEA IV-C)	D	0	200,000	0	(200,000)	-100.0%
Total	D	0	200,000	0	(200,000)	-100.0%
Outlays	*D*	*0*	*42,200*	*87,600*	*45,400*	*107.6%*
Academic Competitiveness (HEA IV, subpart 1, section 401A)						
1. Academic competitiveness and SMART grants	M	395,000	960,000	1,010,000	50,000	5.2%
2. Proposed permanent cancellation of unobligated balances	D	0	0	(511,000)	(511,000)	---
3. FY 2009 postponement to FY 2010	D	0	(887,000)	0	887,000	-100.0%
4. FY 2009 postponement to FY 2010	M	0	0	887,000	887,000	---
Total		395,000 [2]	73,000	1,386,000	1,313,000	1798.6%
Discretionary	D	0	(887,000)	(511,000)	376,000	-42.4%
Mandatory	M	395,000	960,000	1,897,000	937,000	97.6%
Recipients (in thousands)		566	910			
Outlays		*669,712*	*675,863*	*794,428*	*118,565*	*17.5%*
Discretionary	*D*	*0*	*0*	*0*	*0*	*---*
Mandatory	*M*	*669,712*	*675,863*	*794,428*	*118,565*	*17.5%*
TEACH Grants (HEA IV-A, subpart 9)						
1. New loan subsidy	M	7,000	0	0	0	---
2. New negative loan subsidy (non-add)	M	0	(1,508)	(2,442)	(934)	61.9%
Total	M	7,000	0	0	0	---
Awards (in whole numbers)		25,000	50,000	75,000	25,000	50.0%
Average award (in whole dollars)		$3,000	$2,941	$3,000	$59	2.0%
Recipients (in thousands)		8	17	25	8	47.1%
Outlays	*M*	*870*	*0*	*0*	*0*	*---*

[1] *The FY 2010 Budget proposes to restructure Federal Perkins Loans as a mandatory credit program; funds supporting this proposal are shown in the Federal Perkins Loan Program account.*
[2] *A rescission of $525,000 thousand of unobligated balances was enacted in FY 2008. This does not affect the availability of the mandatory FY 2008 appropriation of $920,000 thousand. FY 2008 obligations will be partially supported with a balance transfer of approximately $569,000 thousand, for a total of $964,000 thousand available for grants.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Federal Direct Student Loans Program Account (HEA IV-D)						
1. New loan subsidies (HEA IV-D)	M	0	0	0	0	---
2. New net loan subsidy (non-add)	M	(652,462)	(6,712,511)	(13,847,300)	(7,134,789)	106.3%
3. Upward reestimate of existing loans	M	1,158,458	1,385,617	0	(1,385,617)	-100.0%
4. Downward reestimate of existing loans (non-add)	M	(573,939)	(1,266,252)	0	1,266,252	-100.0%
5. Net reestimate of existing loans (non-add)	M	584,519	119,365	0	(119,365)	-100.0%
6. Modification of existing loans	M	4,143,273	0	0	0	---
Subtotal, loan subsidies		5,301,731	1,385,617	0	(1,385,617)	-100.0%
Subtotal, new loan subsidies and net reestimate/modification (non-add)		(67,943)	(6,593,146)	(13,847,300)	(7,254,154)	110.0%
8. Federal administration (HEA IV-D section 458)	M	(25,000) [1]	0	0	0	---
Total	M	5,276,731	1,385,617	0	(1,385,617)	-100.0%
Outlays		*5,333,920*	*1,420,746*	*3,377*	*(1,417,369)*	*-99.8%*
Federal administration	*D*	*32,190*	*35,129*	*3,377*	*(31,752)*	*-90.4%*
Loan program--mandatory	*M*	*5,301,730*	*1,385,617*	*0*	*(1,385,617)*	*-100.0%*
Federal Family Education Loans Program Account (HEA IV-B)						
1. New loan subsidies (HEA IV-B)	M	0	0	619,794	619,794	---
2. New net loan subsidies (non-add)	M	(502,986) [2]	(5,980,625) [2]	(2,729,084) [2]	3,251,541	-54.4%
3. Upward reestimate of existing loans	M	3,446,178	1,061,861	0	(1,061,861)	-100.0%
4. Downward reestimate of existing loans (non-add)	M	(2,456,227)	(17,014,575)	0	17,014,575	-100.0%
5. Net reestimate of existing loans (non-add)	M	989,951	(15,952,714)	0	15,952,714	-100.0%
6. Upward modification of existing loans	M	10,835	0	0	0	---
7. Downward modification of existing loans (non-add)	M	(2,475,184)	(2,640,420)	0	2,640,420	-100.0%
8. Net modification of existing loans (non-add)	M	(2,464,349)	(2,640,420)	0	2,640,420	-100.0%
Total, FFEL Program Account	M	3,457,013	1,061,861	619,794	(442,067)	-41.6%
Total, new loan subsidies and net reestimate/modification (non-add)		(6,908,795)	(44,228,754)	(2,729,084)	41,499,670	-93.8%
Outlays	*M*	*4,698,552*	*1,061,861*	*379,444*	*(682,417)*	*-64.3%*
Federal Family Education Loans Liquidating Account (HEA IV-B)						
1. Pre-1992 student loans	M	(402,317)	(574,479)	(527,756)	46,723	-8.1%
Outlays	*M*	*(687,627)*	*(574,479)*	*(527,756)*	*46,723*	*-8.1%*
Federal Student Loan Reserve Fund Outlays	*M*	*(722,394)*	*(135,263)*	*389,066*	*524,329*	*-387.6%*
Federal Perkins Loan Program						
1. New loans subsidies (proposed legislation)	M	0	0	0	0	---
2. New net loan subsidies (non-add)	M	0	0	(497,710) [3]	(497,710)	---
Total, Federal Perkins loan program amount	M	0	0	0	0	---
Outlays	*M*	*0*	*0*	*(288,338)*	*(288,338)*	---
TOTAL, FSA		26,855,563	40,506,972	24,079,965	(16,427,007)	-40.6%
Discretionary	D	16,081,136	26,587,032	1,290,809	(25,296,223)	-95.1%
Mandatory	M	10,774,427	13,919,940	22,789,156	8,869,216	63.7%

[1] *Unobligated balance permanently reduced; this action results in reduction of budget authority.*
[2] *Includes programs authorized under the Ensuring Continued Access to Student Loans Act. of 2008.*
[3] *The FY 2010 Budget proposes to restructure Federal Perkins Loans as a mandatory credit program; funds supporting this program are shown in fiscal years 2008 and 2009 in the Student Financial Assistance account.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
OFFICE OF POSTSECONDARY EDUCATION (OPE)						
Higher Education						
1. Aid for institutional development:						
(a) Strengthening institutions (HEA III-A, section 311)	D	78,146	80,000	84,000	4,000	5.0%
(b) Strengthening tribally controlled colleges and universities (HEA III-A, section 316)	D	23,158	23,158	24,316	1,158	5.0%
(c) Additional funds for strengthening tribally controlled colleges and universities (HEA III-F, section 371)	M	30,000	30,000	0	(30,000)	-100.0%
Subtotal		53,158	53,158	24,316	(28,842)	-54.3%
(d) Strengthening Alaska Native and Native Hawaiian-serving institutions (HEA III-A, section 317)	D	11,579	11,579	12,158	579	5.0%
(e) Additional funds for strengthening Alaska Native or Native Hawaiian-serving institutions (HEA III-F, section 371)	M	15,000	15,000	0	(15,000)	-100.0%
Subtotal		26,579	26,579	12,158	(14,421)	-54.3%
(f) Strengthening HBCUs (HEA III-B, section 323)	D	238,095	238,095	250,000	11,905	5.0%
(g) Additional funds for strengthening HBCUs (HEA III-F, section 371)	M	85,000	85,000	0	(85,000)	-100.0%
Subtotal		323,095	323,095	250,000	(73,095)	-22.6%
(h) Strengthening historically Black graduate institutions (HEA III-B, section 326)	D	56,903	58,500	61,425	2,925	5.0%
(i) Masters degree programs at HBCUs and predominantly Black institutions (HEA VIII, section 897)	M	0	11,500	11,500	0	0.0%
(j) Strengthening predominately Black institutions (HEA III-A, section 318)	D	0	0	7,875	7,875	---
(k) Mandatory strengthening predominantly Black institutions (HEA III-F, section 371)	M	15,000	15,000	0	(15,000)	-100.0%
(l) Strengthening Asian American- and Native American Pacific Islander-serving institutions (HEA III-A, section 320)	D	0	2,500	2,625	125	5.0%
(m) Mandatory strengthening Asian American- and Native American Pacific Islander-serving institutions (HEA III-F, section 371)	M	5,000	5,000	0	(5,000)	-100.0%
Subtotal		5,000	7,500	2,625	(4,875)	-65.0%
(n) Strengthening Native American-serving nontribal institutions (HEA III-A, section 319)	D	0	0	2,625	2,625	---
(o) Mandatory strengthening Native American-serving nontribal institutions (HEA III-F, section 371)	M	5,000	5,000	0	(5,000)	-100.0%
(p) Minority science and engineering improvement (HEA III-E-1)	D	8,577	8,577	9,006	429	5.0%
Subtotal, Aid for institutional development		571,458	588,909	465,530	(123,379)	-21.0%
2. Aid for Hispanic-serving institutions:						
(a) Developing Hispanic-serving institutions (HEA V-A)	D	93,256	93,256	97,919	4,663	5.0%
(b) Developing HSI STEM and articulation programs (HEA III-F, section 371(b)(2)(B))	M	100,000	100,000	0	(100,000)	-100.0%
(c) Promoting postbaccalaureate opportunities for Hispanic Americans (HEA VIII, section 898)	M	0	11,500	11,500	0	0.0%
Subtotal		193,256	204,756	109,419	(95,337)	-46.6%
3 Other aid for institutions:						
(a) International education and foreign language studies:						
(1) Domestic programs (HEA VI-A and B)	D	93,941	102,335	102,335	0	0.0%
(2) Overseas programs (MECEA section 102(b)(6))	D	13,372	14,709	14,709	0	0.0%
(3) Institute for International Public Policy (HEA VI-C)	D	1,670	1,837	1,837	0	0.0%
Subtotal		108,983	118,881	118,881	0	0.0%
(b) Fund for the Improvement of Postsecondary Education (HEA VII-B)	D	120,333	133,667	47,424	(86,243)	-64.5%
(c) Demonstration projects to support postsecondary faculty, staff, and administrators in educating students with disabilities (HEA VII-D-1)	D	6,755	6,755	6,755	0	0.0%
(d) Tribally controlled postsecondary career and technical institutions (CTEA section 117)	D	7,546	7,773	7,773	0	0.0%

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Higher Education (continued)						
4. Assistance for students:						
(a) Federal TRIO programs (HEA IV-A-2, Chapter 1)	D	828,178	848,089	848,089	0	0.0%
(b) Additional funds for Upward Bound (HEA 402C(g))	M	57,000	57,000	57,000	0	0.0%
Subtotal		885,178	905,089	905,089	0	0.0%
(c) Gaining early awareness and readiness for undergraduate programs (GEAR UP) (HEA IV-A-2, Chapter 2)	D	303,423	313,212	313,212	0	0.0%
(d) Scholarships and fellowships:						
(1) Byrd honors scholarships (HEA IV-A-6)	D	40,284	40,642	40,642	0	0.0%
(2) Javits fellowships (HEA VII-A-1)	D	9,530	9,687	9,687	0	0.0%
(3) Graduate assistance in areas of national need (HEA VII-A-2)	D	29,542	31,030	31,030	0	0.0%
(4) Thurgood Marshall legal educational opportunity program (HEA VII-A-3)	D	2,895	3,000	3,000	0	0.0%
(5) B.J. Stupak Olympic scholarships (HE Amendments of 1992, section 1543)	D	953	977	977	0	0.0%
(e) Child care access means parents in school (HEA IV-A-7)	D	15,534	16,034	16,034	0	0.0%
5. Teachers for a competitive tomorrow (America COMPETES Act VI-A-1):						
(a) Baccalaureate STEM and foreign language teacher training (Sec. 6113)	D	983	1,092	1,092	0	0.0%
(b) Masters STEM and foreign language teacher training (Sec. 6114)	D	983	1,092	1,092	0	0.0%
6. GPRA data/HEA program evaluation (Department of Education Appropriations Act)	D	609	609	609	0	0.0%
7. Underground railroad program (HE Amendments of 1998, VIII-H)	D	1,945	1,945	1,945	0	0.0%
8. College access challenge grant program (HEA VII-E)	M	66,000	66,000	0	(66,000)	-100.0%
9. Disaster relief for higher education institutions (Disaster Relief and Recovery Supplemental Appropriations Act, 2008, P.L. 110-329, Division B, I-7)	D	15,000	0	0	0	---
Total		2,381,189 [1]	2,451,150 [1]	2,080,191	(370,959)	-15.1%
Discretionary		2,003,189	2,050,150	2,000,191	(49,959)	-2.4%
Mandatory		378,000	401,000 [2]	80,000	(321,000)	-80.0%
Higher Education, Recovery Act						
1. Teacher quality partnership (HEA, II-A)	D	0	100,000	0	(100,000)	-100.0%
Outlays	*D*	*0*	*0*	*73,000*	*73,000*	---
Total		2,381,189	2,551,150	2,080,191	(470,959)	-18.5%
Discretionary	D	2,003,189	2,150,150	2,000,191	(149,959)	-7.0%
Mandatory	M	378,000	401,000	80,000	(321,000)	-80.0%
Outlays		*2,029,379*	*2,340,146*	*2,444,950*	*104,804*	*4.5%*
Discretionary	*D*	*2,001,493*	*2,075,666*	*2,103,569*	*27,903*	*1.3%*
Mandatory	*M*	*27,886*	*264,480*	*341,381*	*76,901*	*29.1%*

[1] *Adjusted for comparability. Excludes $33,662 thousand in FY 2008 and $50,000 thousand in FY 2009 for Teacher Quality Enhancement. The FY 2010 request for this program is in the Innovation and Improvement account, under the name Teacher Quality Partnership.*

[2] *Includes $23,000 thousand in mandatory appropriations enacted on August 14, 2008, in P.L. 110-315, Higher Education Opportunity Act, which reauthorized the Higher Education Act of 1965.*

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Howard University						
1. General support (20 U.S.C. 121 et seq.)	D	204,298	206,031	206,031	0	0.0%
2. Howard University Hospital (20 U.S.C. 128)	D	28,946	28,946	28,946	0	0.0%
Total	D	233,245	234,977	234,977	0	0.0%
Outlays	*D*	*229,780*	*227,869*	*234,977*	*7,108*	3.1%
College Housing and Academic Facilities Loans Program Account (HEA section 121)						
1. Federal administration (FCRA section 505(e))	D	473	461	461	0	0.0%
2. Reestimate of existing loan subsidies	M	232	108	0	(108)	-100.0%
Total		705	569	461	(108)	-19.0%
Discretionary	D	473	461	461	0	0.0%
Mandatory	M	232	108	0	(108)	-100.0%
Outlays		*677*	*704*	*0*	*(704)*	-100.0%
Discretionary	*D*	*445*	*596*	*0*	*(596)*	-100.0%
Mandatory	*M*	*232*	*108*	*0*	*(108)*	-100.0%
College Housing and Academic Facilities Loans Liquidating Account (HEA section 121)	M	(1,179)	(1,228)	(1,538)	(310)	25.2%
Outlays	*M*	*(1,179)*	*(1,228)*	*(1,538)*	*(310)*	*25.2%*
Historically Black College and University Capital Financing Program Account (HEA III-D)						
1. Federal administration (FCRA section 505(e))	D	185	354	354	0	0.0%
2. Loan subsidies	D	0	10,000	20,228	10,228	102.3%
3. Reestimate of existing loan subsidies	M	18,038	1,319	0	(1,319)	-100.0%
Total		18,223	11,673	20,582	8,909	76.3%
Discretionary	D	185	10,354	20,582	10,228	98.8%
Mandatory	M	18,038	1,319	0	(1,319)	-100.0%
Outlays		*18,222*	*11,491*	*20,495*	*9,004*	*78.4%*
Discretionary	*D*	*184*	*1,319*	*20,495*	*19,176*	1453.8%
Mandatory	*M*	*18,038*	*10,172*	*0*	*(10,172)*	-100.0%
Higher Education Facilities Loans Liquidating Account (HEA section 121)	M	(1,151)	(1,341)	(1,346)	(5)	0.4%
Outlays	*M*	*(1,186)*	*(1,348)*	*(1,344)*	*4*	*-0.3%*
College Housing Loans Liquidating Account (HEA section 121)	M	(17,210)	(17,536)	(16,400)	1,136	-6.5%
Outlays	*M*	*(17,529)*	*(17,330)*	*(16,386)*	*944*	*-5.4%*
TOTAL, OPE		2,613,821	2,778,264	2,316,927	(461,337)	-16.6%
Discretionary	D	2,237,091	2,395,942	2,256,211	(139,731)	-5.8%
Mandatory	M	376,730	382,322	60,716	(321,606)	-84.1%

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
INSTITUTE OF EDUCATION SCIENCES (IES)						
Institute of Education Sciences						
1. Research and statistics:						
(a) Research, development, and dissemination (ESRA I-A, B and D)	D	159,696	167,196	224,196	57,000	34.1%
(b) Statistics (ESRA I-C)	D	88,449	98,521	108,521	10,000	10.2%
2. Regional educational laboratories (ESRA section 174)	D	65,569	67,569	70,650	3,081	4.6%
3. Assessment (NAEPAA):						
(a) National assessment (section 303)	D	98,121	130,121	130,121	0	0.0%
(b) National Assessment Governing Board (section 302)	D	5,932	8,723	8,723	0	0.0%
Subtotal		104,053	138,844	138,844	0	0.0%
4. Research in special education (ESRA, Part E)	D	70,585	70,585	70,585	0	0.0%
5. Statewide data systems (ETAA section 208)	D	48,293	65,000	65,000	0	0.0%
6. Special education studies and evaluations (IDEA, section 664)	D	9,460	9,460	11,460	2,000	21.1%
Total	D	546,105	617,175	689,256	72,081	11.7%
Outlays	*D*	*463,729*	*645,224*	*538,018*	*(107,206)*	-16.6%
Institute of Education Sciences, Recovery Act						
1. Statewide data systems (ETAA section 208)	D	0	250,000	0	(250,000)	-100.0%
Outlays	*D*	*0*	*13,000*	*75,000*	*62,000*	476.9%
TOTAL, IES		546,105	867,175	689,256	(177,919)	-20.5%

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
DEPARTMENTAL MANAGEMENT						
Program Administration (DEOA)						
1. Salaries and expenses	D	409,211	428,082	448,300	20,218	4.7%
2. Building modernization	D	2,063	5,400	8,200	2,800	51.9%
Total	D	411,274	433,482	456,500	23,018	5.3%
Outlays	*D*	*442,438*	*439,824*	*447,886*	*8,062*	1.8%
Student Aid Administration (HEA I-D and IV-D, section 458)						
1. Salaries and expenses	D	695,843	753,402	870,402	117,000	15.5%
Outlays	*D*	*669,712*	*675,863*	*794,428*	*118,565*	17.5%
Student Aid Administration, Recovery Act (HEA I-D and IV-D, section 458)						
1. Salaries and expenses	D	0	60,000	0	(60,000)	-100.0%
Outlays	*D*	*0*	*45,000*	*15,000*	*(30,000)*	-66.7%
Office for Civil Rights (DEOA, section 203)						
1. Salaries and expenses	D	89,612	96,826	103,024	6,198	6.4%
Outlays	*D*	*90,780*	*97,134*	*98,966*	*1,832*	1.9%
Office of the Inspector General (DEOA, section 212)						
1. Salaries and expenses	D	50,849	54,539	60,053	5,514	10.1%
Outlays	*D*	*49,597*	*55,997*	*62,107*	*6,110*	10.9%
Office of the Inspector General, Recovery Act (DEOA, section 212)						
1. Salaries and expenses	D	0	14,000	0	(14,000)	-100.0%
Outlays	*D*	*0*	*980*	*3,500*	*2,520*	257.1%
TOTAL, DEPARTMENTAL MANAGEMENT		1,247,578	1,412,249	1,489,979	77,730	5.5%
HURRICANE EDUCATION RECOVERY						
Hurricane Education Recovery Outlays	*D*	176,804	180,984	0	(180,984)	-100.0%

(in thousands of dollars) Office, Account, Program and Activity	Category Code	2008 Appropriation	2009 Appropriation	2010 President's Budget	Change from 2009 Appropriation Amount	Percent
Contributions (DEOA, section 421)	M	0	0	0	0	---
Outlays	*M*	*30,620*	*0*	*0*	*0*	---
General Fund Receipts						
1. Perkins loan repayments	M	(42,000)	(28,000)	0	28,000	-100.0%
2. Perkins institutional fund recall (mandatory)	M	0	0	0	0	---
3. CHAFL downward reestimate of loan subsidies	M	(1,989)	(1,273)	0	1,273	-100.0%
4. FDSL downward reestimate of loan subsidies	M	(573,939)	(1,266,252)	0	1,266,252	-100.0%
5. FFEL downward reestimate of loan subsidies	M	(2,456,227)	(17,014,575)	0	17,014,575	-100.0%
6. FDSL downward modification/negative loan subsidies	M	(75,318)	(5,196,104)	(10,718,030)	(5,521,926)	106.3%
7. FFEL downward modification/negative loan subsidies	M	(2,644,686)	(5,019,384)	(3,142,793)	1,876,591	-37.4%
8. Perkins loan negative loan subsidies	M	0	0	(288,338)	(288,338)	---
9. TEACH downward modification/negative loan subsidies	M	0	(1,508)	(2,442)	(934)	61.9%
10. HBCU capital financing downward reestimate of loan subsidies	M	(17,700)	(26,629)	0	26,629	-100.0%
11. Proprietary receipts	M	(47,000)	(47,000)	0	47,000	-100.0%
12. Proprietary interest receipts	M	(20,000)	(20,000)	0	20,000	-100.0%
13. Net intergovernmental payments	M	(4,000)	(4,000)	0	4,000	-100.0%
Total		(5,882,859)	(28,624,725)	(14,151,603)	14,473,122	-50.6%
Outlays	*M*	*(5,882,859)*	*(28,624,725)*	*(14,151,603)*	*14,473,122*	*-50.6%*
APPROPRIATION TOTAL		67,353,809	42,301,430	66,823,230	24,521,800	58.0%
Discretionary funds	D	59,211,468 [1]	62,646,199	46,686,324	(15,959,875)	-25.5%
Mandatory funds	M	8,142,341	(20,344,769) [2]	20,136,906	40,481,675	-199.0%
BUDGET AUTHORITY TOTAL		65,370,110	37,412,630	66,823,230	29,410,600	78.6%
Discretionary funds	D	57,227,769 [3]	57,757,399 [4]	46,686,324 [4]	(11,071,075)	-19.2%
Mandatory funds	M	8,142,341	(20,344,769)	20,136,906	40,481,675	-199.0%
OUTLAYS TOTAL, EDUCATION DEPARTMENT		*66,196,192*	*40,060,726*	*56,591,976*	*16,531,250*	*41.3%*
Discretionary funds	*D*	*59,358,160*	*60,842,171*	*57,627,339*	*(3,214,832)*	*-5.3%*
Mandatory funds	*M*	*6,838,032*	*(20,781,445)*	*(1,035,363)*	*19,746,082*	*-95.0%*
RECOVERY ACT APPROPRIATION / BUDGET AUTHORITY TOTAL		0	98,238,000	(8,353,941)	(106,591,941)	-108.5%
Discretionary funds	D	0	89,241,059	0	(89,241,059)	-100.0%
Mandatory funds	M	0	8,996,941	(8,353,941)	(17,350,882)	-192.9%
RECOVERY ACT OUTLAYS TOTAL, EDUCATION DEPARTMENT		*0*	*9,960,358*	*44,010,001*	*34,049,643*	*341.9%*
Discretionary funds	*D*	*0*	*9,786,748*	*43,322,671*	*33,535,923*	*342.7%*
Mandatory funds	*M*	*0*	*173,610*	*687,330*	*513,720*	*295.9%*
GRAND TOTAL, APPROPRIATION AND RECOVERY ACT		67,353,809	140,539,430	58,469,289	(82,070,141)	-58.4%
Discretionary funds	D	59,211,468	151,887,258	46,686,324	(105,200,934)	-69.3%
Mandatory funds	M	8,142,341	(11,347,828)	11,782,965	23,130,793	-203.8%
GRAND TOTAL, BUDGET AUTHORITY AND RECOVERY ACT		65,370,110	135,650,630	58,469,289	(77,181,341)	-56.9%
Discretionary funds	D	57,227,769	146,998,458	46,686,324	(100,312,134)	-68.2%
Mandatory funds	M	8,142,341	(11,347,828)	11,782,965	23,130,793	-203.8%
GRAND TOTAL, OUTLAYS		*66,196,192*	*50,021,084*	*100,601,977*	*50,580,893*	*101.1%*
Discretionary funds	*D*	*59,358,160*	*70,628,919*	*100,950,010*	*30,321,091*	*42.9%*
Mandatory funds	*M*	*6,838,032*	*(20,607,835)*	*(348,033)*	*20,259,802*	*-98.3%*

[1] *Includes $30,000 thousand for P.L. 110-329, Disaster Relief and Recovery Supplemental Appropriations Act, 2008, enacted September 30, 2008.*
[2] *Includes $23,000 thousand for P.L. 110-315, Higher Education Opportunity Act, enacted August 14, 2008, which reauthorized the Higher Education Act of 1965.*
[3] *Excludes advance appropriations of $17,017,200 thousand that become available on October 1 of the following fiscal year.*
[4] *Excludes advance appropriations of $21,906,000 thousand that become available on October 1 of the following fiscal year.*

NOTE: Appropriation totals reflect the total funds provided in the year of appropriation, including advance appropriation amounts that do not become available until the succeeding fiscal year. The total budget authority reflects funds that become available in the fiscal year shown, which includes new amounts provided for that fiscal year and amounts advanced from the prior year's appropriation.